

HONORABLE JAMES L. ROBERT

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

OLD REPUBLIC TITLE, LTD.,

Plaintiff,

v.

TROY X. KELLEY and DIANE
DUFFRIN KELLEY, individually and as
a marital community,

Defendants.

No. 10-cv-0038-JLR

**EXHIBITS 3, 4, 5, 7, 9, 10, 15, 16,
19, 20, 21, 22, 25, 26, 27, 28, 29,
30, 31, 32 AND 34 TO THE
DECLARATION OF SCOTT A.
SMITH IN OPPOSITION TO
MOTION TO QUASH DEPOSITION
OF DIANE KELLEY FILED UNDER
SEAL**

NOTE ON MOTION CALENDAR:
August 27, 2010

EXHIBIT 3

651107

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service**2007**For calendar year 2007, or tax
year beginning _____, 2007
ending _____, 20____**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

Part I Information About the Partnership													
A Partnership's employer identification number [REDACTED]													
B Partnership's name, address, city, state, and ZIP code United National, LLC 2521 Fremont Street Tacoma, WA 98406													
C IRS Center where partnership filed return Ogden, UT													
D <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)													
Part II Information About the Partner													
E Partner's identifying number [REDACTED]													
F Partner's name, address, city, state, and ZIP code Blackstone International, Inc. 2521 Fremont Street Tacoma, WA 98406													
G <input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member													
H <input type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner													
I What type of entity is this partner? <u>Corporation</u>													
J Partner's share of profit, loss, and capital:													
<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>79.90 %</td> <td>79.90 %</td> </tr> <tr> <td>Loss</td> <td>79.90 %</td> <td>79.90 %</td> </tr> <tr> <td>Capital</td> <td>78.00 %</td> <td>79.30 %</td> </tr> </tbody> </table>			Beginning	Ending	Profit	79.90 %	79.90 %	Loss	79.90 %	79.90 %	Capital	78.00 %	79.30 %
	Beginning	Ending											
Profit	79.90 %	79.90 %											
Loss	79.90 %	79.90 %											
Capital	78.00 %	79.30 %											
K Partner's share of liabilities at year end:													
Nonrecourse \$ _____													
Qualified nonrecourse financing \$ _____													
Recourse \$ _____													
L Partner's capital account analysis:													
Beginning capital account \$ 59280.00													
Capital contributed during the year \$ 1000.00													
Current year increase (decrease) \$ 228453.94													
Withdrawals & distributions \$ (228453.94)													
Ending capital account \$ 60280.00													
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain) _____													

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items	
1 Ordinary business income (loss)	15 Credits
228453.94	
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	A 228453.94
14 Self-employment earnings (loss)	20 Other information
*See attached statement for additional information.	
For IRS Use Only	

For Paperwork Reduction Act Notice, see instructions for Form 1065.

Cat. No. 11394R

Schedule K-1 (Form 1065) 2007

CONFIDENTIAL

TXK 000235

EXHIBIT 4

651107

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service**2007**

For calendar year 2007, or tax

year beginning _____, 2007

ending _____, 20____

**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III **Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	
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8 Net short-term capital gain (loss)	
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9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	A 47063.54
14 Self-employment earnings (loss)	20 Other information

*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership													
A Partnership's employer identification number [REDACTED]													
B Partnership's name, address, city, state, and ZIP code United National, LLC 2521 Fremont Street Tacoma, WA 98406													
C IRS Center where partnership filed return Ogden, UT													
D <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)													
Part II Information About the Partner													
E Partner's identifying number [REDACTED]													
F Partner's name, address, city, state, and ZIP code Attorney Trustee Service, Inc. 2521 Fremont Street Tacoma, WA 98406													
G <input type="checkbox"/> General partner or LLC member-manager	<input checked="" type="checkbox"/> Limited partner or other LLC member												
H <input type="checkbox"/> Domestic partner	<input type="checkbox"/> Foreign partner												
I What type of entity is this partner? Corporation													
J Partner's share of profit, loss, and capital:													
<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>12.20 %</td> <td>16.46 %</td> </tr> <tr> <td>Loss</td> <td>12.20 %</td> <td>16.46 %</td> </tr> <tr> <td>Capital</td> <td>12.20 %</td> <td>18.10 %</td> </tr> </tbody> </table>			Beginning	Ending	Profit	12.20 %	16.46 %	Loss	12.20 %	16.46 %	Capital	12.20 %	18.10 %
	Beginning	Ending											
Profit	12.20 %	16.46 %											
Loss	12.20 %	16.46 %											
Capital	12.20 %	18.10 %											
K Partner's share of liabilities at year end:													
Nonrecourse \$													
Qualified nonrecourse financing . . . \$													
Recourse \$													
L Partner's capital account analysis:													
Beginning capital account . . . \$ 9265.00													
Capital contributed during the year . . . \$ 4455.00													
Current year increase (decrease) . . . \$ 47063.54													
Withdrawals & distributions . . . \$ (47063.54)													
Ending capital account . . . \$ 13720.00													
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain)													

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Cat. No. 11394R

Schedule K-1 (Form 1065) 2007

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TXK 000237

EXHIBIT 5

06/26/2008 15:45 8882102613
JUN-25-2008 12:17 PM

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P. 04

SECRETARY OF STATE



LIMITED LIABILITY COMPANY CHARTER

I, ROSS MILLER, the Nevada Secretary of State, do hereby certify that **BERKLEY UNITED, LLC** did on June 23, 2008, file in this office the Articles of Organization for a Limited Liability Company, that said Articles of Organization are now on file and of record in the office of the Nevada Secretary of State, and further, that said Articles contain all the provisions required by the laws governing Limited Liability Companies in the State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on June 23, 2008.

A handwritten signature of Ross Miller.

ROSS MILLER
Secretary of State

By A handwritten signature of the Certification Clerk.

Certification Clerk



06/26/2008 15:45 8882102613
JUN-25-2008 12:17 PM

PAGE 22
P. 03



ROSS MILLER
Secretary of State
208 North Carson Street
Carson City, Nevada 89701-4299
(775) 884 6708
Website: secretaryofstate.biz

Articles of Organization
Limited-Liability Company
(PURSUANT TO NRS 86)

Filed in the office of <i>[Signature]</i> Ross Miller Secretary of State State of Nevada	Document Number 20080417604-12 Filing Date and Time 06/23/2008 9:09 AM Entity Number [REDACTED]
--	--

USE BLACK INK ONLY - DO NOT HIGHLIGHT	ABOVE SPACE IS FOR OFFICE USE ONLY
1. <u>Name of Limited Liability Company:</u> <i>(must contain sponsored entity liability company wording; see instructions)</i>	BERKELEY UNITED, LLC Check box if a Series Limited-Liability Company <input type="checkbox"/>
2. <u>Resident Agent Name and Street Address:</u> <i>(must be a Nevada address where process may be served)</i>	Resident Agents of America Name 631 N. Stephanie St., Ste. 518 (MANDATORY) Physical Street Address Henderson City Nevada 89014 State Zip Code (OPTIONAL) Mailing Address City State Zip Code
3. <u>Dissolution Date:</u> <i>(OPTIONAL; see instructions)</i>	Latest date upon which the company is to dissolve (if existence is not perpetual) July 1, 2063
4. <u>Management:</u>	Company shall be managed by <input type="checkbox"/> Manager(s) OR <input checked="" type="checkbox"/> Members <i>(check only one box)</i>
5. <u>Name and address of each Manager or Managing Member:</u> <i>(attach additional page if more than 3)</i>	Troy Kelley Name 2521 Fremont St. Address Tacoma City WA 98406 State Zip Code Name Address City State Zip Code Name Address City State Zip Code
6. <u>Name, Address and Signature of Organizer:</u> <i>(attach additional page if more than 1)</i>	Troy Kelley Name 2521 Fremont St. Address Signature Tacoma City WA 98406 State Zip Code
7. <u>Certificate of Acceptance of Appointment of Resident Agent:</u>	I hereby accept appointment as Resident Agent for the above named limited-liability company. <input checked="" type="checkbox"/> <i>[Signature]</i> Authorized Signature of R.A. or On Behalf of R.A. Company Date 6/23/08

This form must be accompanied by appropriate fees

EXHIBIT 7

2003

39-1908647

Department of the Treasury -- Internal Revenue Service
For Privacy Act and Paperwork Reduction
Act Notice, see separate instructions.

CONFIDENTIAL

INT/UNLLC 000067

2004

39-19086
Department of the Treasury -- Internal Revenue Service
For Privacy Act and Paperwork Reduction
Act Notice, see instructions.

a Control number P-901-02607		Copy D--For Employer. OMB No. 1545-0008	
b Employer identification number (EIN) [REDACTED]		1 Wages, tips, other comp. 662.70	
c Employer's name, address, and ZIP code UNITED NATIONAL LLC 2521 N. FREMONT STREET TACOMA, WA 98406		2 Federal income tax withheld 0.00	
		3 Social security wages 8662.70	
		4 Social security tax withheld 537.09	
		5 Medicare wages and tips 8662.70	
		6 Medicare tax withheld 125.61	
		7 Social security tips 0.00	
d Employee's social security number [REDACTED]		8 Allocated tips	
e Employee's name, address, and ZIP code DIANE D KELLEY 2521 N. FREMONT ST TACOMA, WA 98406		9 Advance EIC payment	
		10 Dependent care benefits	
		11 Nonqualified plans	
		12a See instructions for box 12 \$ 8000.00	
		12b	
		12c	
		12d	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
		14 Other	
15 State Employer's state ID number		16 State wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	

Form W-2 Wage and Tax Statement

2005

39-1908647 Department of the Treasury - Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

5 BW2ERD

NTF 2561834

Copyright 2004 Greatland/Neico - Forms Software Only

a Control number P-901-02607		Copy D--For Employer. OMB No. 1545-0008	
b Employer identification number (EIN) [REDACTED]		1 Wages, tips, other comp. 662.70	2 Federal income tax withheld 0.00
c Employer's name, address, and ZIP code UNITED NATIONAL LLC 2521 N. FREMONT STREET TACOMA, WA 98406		3 Social security wages 8662.70	4 Social security tax withheld 537.09
		5 Medicare wages and tips 8662.70	6 Medicare tax withheld 125.61
		7 Social security tips 0.00	8 Allocated tips
d Employee's social security number [REDACTED]		9 Advance EIC payment	10 Dependent care benefits
e Employee's name, address, and ZIP code DIANE D KELLEY 2521 N. FREMONT ST TACOMA, WA 98406		11 Nonqualified plans	
		12a See instructions for box 12 D 8000.00	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
		14 Other	
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.		19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement

2006

39-1908847

Department of the Treasury -- Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

CONFIDENTIAL

INT/UNLLC 000414

Form **W-2** **Wage and Tax Statement**

2007

38-2099803

Department of the Treasury - Internal Revenue Service
For Privacy Act and Paperwork Reduction
Act Notice, see Instructions.

CONFIDENTIAL

INT/UNLLC 000538

Void		a Employee's social security no. [REDACTED]		Copy D--For Employer. OMB No. 1545-0008	
b Employer identification number (EIN) [REDACTED]			1 Wages, tips, other comp. 1000.00		2 Federal income tax withheld 52.08
c Employer's name, address, and ZIP code UNITED NATIONAL LLC 2521 N. FREMONT STREET TACOMA, WA 98406			3 Social security wages 9000.00		4 Social security tax withheld 558.00
			5 Medicare wages and tips 9000.00		6 Medicare tax withheld 130.50
			7 Social security tips 0.00		8 Allocated tips
d Control number P-901-02607			9 Advance EIC payment		10 Dependent care benefits
e Employee's name, address, and ZIP code DIANE D KELLEY 2521 N. FREMONT ST TACOMA, WA 98406			11 Nonqualified plans		12a See instructions for box 12 D 8000.00
			13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b
			14 Other		12c
					12d
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
					20 Locality name

Form W-2 Wage and Tax Statement

2008

38-2099803

Department of the Treasury -- Internal Revenue Service
For Privacy Act and Paperwork Reduction
Act Notice, see Instructions.

8 BW2D NTF 2572391 BW2ERD

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EXHIBIT 9

Form VORF



Organization Resolution

Use this form to authorize persons to conduct transactions on your organization's Vanguard® accounts or to authorize persons to act for the organization on behalf of another account owner.

This resolution remains in effect until Vanguard receives notification that it has been revoked or receives a new form. You must file a new Organization Resolution each time there is a change in the identity of individuals authorized to act for your organization.

Print in capital letters and use black ink.

Questions?

Call 800-662-2739.

If you need other forms, visit our website at www.vanguard.com/serviceforms.

1. Organization Information

Name of Organization

Blackstone International, Inc.

Street

2521 Fremont St.

City, State, Zip

Tacoma, WA 98406

Country if not U.S.

Daytime Phone area code, number, extension

(888) 210-2607

Evening Phone area code, number, extension

(253) 906-4376

Employer/Taxpayer Identification Number

[REDACTED]

Type of Organization

Corporation

2. Type of Authorization *Check one and complete the appropriate section.*

Complete Section 3. ☒ Authorization to Act on an Organization's Accounts *If you are authorizing individuals to act on the organization's accounts, check this option and complete Section 3.*

Complete Section 4. ☐ Authorization to Act on Behalf of Another Account Owner *If you are authorizing individuals to act on the organization's behalf in its capacity as agent for another account owner, check this option and complete Section 4.*

Form VORF

The organization agrees to indemnify and hold The Vanguard Group, Inc., Vanguard Marketing Corporation, their affiliates, each of the investment company members of The Vanguard Group and their respective officers, employees, and agents (collectively, Vanguard) harmless from and against all losses, claims, and expenses (including attorney's fees) of any kind incurred by Vanguard for relying in good faith upon information provided in this resolution and for acting on instructions believed by Vanguard to have originated from any authorized signatory listed in this section and/or any additional authorized person listed in this section. This resolution remains in full force and effect until revoked by an authorized signatory of the organization. Each Organization Resolution filed with Vanguard revokes a corporate/organization resolution previously filed with Vanguard in its entirety. Any revocation will not affect any liability resulting from transactions initiated before Vanguard has had a reasonable amount of time to act upon the revocation.

The undersigned are authorized to certify this information on behalf of the organization and confirm that these provisions conform to the charter or other organizing document of our organization.

Two authorized signatories must sign.
You can sign even if your signature is already included on page 2 under Authorized Signatories.

Name of Authorized Signatory *first, middle initial, last*

Troy X. Kelley

Title

President

Signature

Troy X. Kelley

Date mm/dd/yyyy

06/16/2008

If the organization has only one authorized signatory, complete the Third-Party Certification below.

Name of Authorized Signatory *first, middle initial, last*

Diane D. Kelley

Title

V.P. & Secretary

Signature

Diane D. Kelley

Date mm/dd/yyyy

06/16/2008

Third-Party Certification

I certify that the person who signed above is the duly authorized signatory of the organization identified in Section 1.

Complete if the organization has only one authorized signatory.

Name of Bank Officer, Practicing Attorney, or Member of a Domestic Stock Exchange

Title

Name of Bank or Firm

Signature

Date mm/dd/yyyy

EXHIBIT 10

06/26/2008 15:45 8882102613

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Form VORF



Organization Resolution

Use this form to authorize persons to conduct transactions on your organization's Vanguard® accounts or to authorize persons to act for the organization on behalf of another account owner.

This resolution remains in effect until Vanguard receives notification that it has been revoked or receives a new form. You must file a new Organization Resolution each time there is a change in the identity of individuals authorized to act for your organization.

Print in capital letters and use black ink.

Questions?

Call 800-662-2739.

If you need other forms, visit our website at www.vanguard.com/serviceforms.

1. Organization Information

Name of Organization

Berkeley United LLC

Street

2521 Fremont Street

City, State, Zip

Tacoma, WA 98406

Daytime Phone area code, number, extension

(888) 210-2607

Employer/Taxpayer Identification Number

Type of Organization

Limited Liability Company

Country if not U.S.

Evening Phone area code, number, extension

(253) 906-4376

2. Type of Authorization *Check one and complete the appropriate section.*

Complete
Section 3. ☒

Authorization to Act on an Organization's Accounts *If you are authorizing individuals to act on the organization's accounts, check this option and complete Section 3.*

Complete
Section 4. ☐

Authorization to Act on Behalf of Another Account Owner *If you are authorizing individuals to act on the organization's behalf in its capacity as agent for another account owner, check this option and complete Section 4.*

1 of 6

06/26/2008 15:45 8882102613

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Form VORF

The organization agrees to indemnify and hold The Vanguard Group, Inc., Vanguard Marketing Corporation, their affiliates, each of the investment company members of The Vanguard Group and their respective officers, employees, and agents (collectively, Vanguard) harmless from and against all losses, claims, and expenses (including attorney's fees) of any kind incurred by Vanguard for relying in good faith upon information provided in this resolution and for acting on instructions believed by Vanguard to have originated from any authorized signatory listed in this section and/or any additional authorized person listed in this section. This resolution remains in full force and effect until revoked by an authorized signatory of the organization. Each Organization Resolution filed with Vanguard revokes a corporate/organization resolution previously filed with Vanguard in its entirety. Any revocation will not affect any liability resulting from transactions initiated before Vanguard has had a reasonable amount of time to act upon the revocation.

The undersigned are authorized to certify this information on behalf of the organization and confirm that these provisions conform to the charter or other organizing document of our organization.

Two authorized signatories must sign.
You can sign even if your signature is already included on page 2 under Authorized Signatories.

If the organization has only one authorized signatory, complete the Third-Party Certification below.

Name of Authorized Signatory first, middle initial, last

Title

Troy X. Kelley

President

Signature

Troy X. Kelley

Date mm/dd/yyyy

06/26/2008

Name of Authorized Signatory first, middle initial, last

Title

Diane D. Kelley

Vice President

Signature

Diane D. Kelley

Date mm/dd/yyyy

06/26/2008

Third-Party Certification

I certify that the person who signed above is the duly authorized signatory of the organization identified in Section 1.

Name of Bank Officer, Practicing Attorney, or Member of a Domestic Stock Exchange

Title

Name of Bank or Firm

Complete if the organization has only one authorized signatory.

Signature

Date mm/dd/yyyy

4 of 6

EXHIBIT 15

HONORABLE JAMES L. ROBERT

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

OLD REPUBLIC TITLE, LTD.,

Plaintiff,

v.

TROY X. KELLEY and DIANE
DUFFRIN KELLEY, individually and as
a marital community,

Defendants.

No. 10-cv-0038-JLR

**REVISED DISCOVERY ANSWER
OF OLD REPUBLIC**

INTERROGATORY NO. 6: Identify each transaction handled by The Post Closing Department for an Old Republic Title customer in which **you** contend there were funds that should have been refunded to the customer, stating for each:

- a. The total amount of such refunds;
- b. Whether **you** followed through to determine if The Post Closing Department made such refunds; and
- c. Whether **you** intend to refund such refunds to **your** customers.

RESPONSE:

- a. Old Republic Title has not made a calculation based on individual escrow transactions. The total amount of refunds that were not made is estimated

REVISED DISCOVERY ANSWER OF OLD REPUBLIC
(No. 10-cv-0038-JLR) - 1
4822-4835-6102.01
071910/1723/62131.00047

Riddell Williams P.S.
1001 FOURTH AVENUE
SUITE 4500
SEATTLE, WA 98154-1192
206.624.3600

1 to be no less than \$981,350. This figure is based on a fairly simple calculation of
2 A minus B minus C with those letters representing the following figures:

3 A – Total amount of the checks sent from Old Republic Title to PCD (the
figure appears to be either \$1,244,245.22 or \$1,253,279.38)

4 B – The total amount of checks written by PCD from such monies other
5 than to itself (\$26,895.66)

6 C – PCD service fees included in A (estimated to be 11,800 x \$20 or
7 \$236,000)

8 b. If, by "followed through," you are asking whether Old Republic Title
has contacted each of the escrow customers to ask if they have received any
9 refunds, the answer is no.

10 c. Yes, Old Republic Title intends to return to the escrow customers
11 any unrefunded monies that it recovers from Kelley.

12 DATED July 19, 2010.

13 Respectfully Submitted

14 RIDDELL WILLIAMS P.S.

15
16 By Scott A. Smith
17 Scott A. Smith, WSBA #11975
18 Gavin W. Skok, WSBA #29766
Attorneys for Plaintiff Old Republic Title,
19 Ltd.
20
21
22
23
24
25
26

EXHIBIT 16

United National LLC

DBA: Post Closing Dept STC-E PCD

2521 N Fremont St

Tacoma WA 98406

Statement Period 06/03/2008 To 07/01/2008

Account Number: [REDACTED] 8074

Account Summary

Balance 06/03/2008 \$531,205.32

Deposits \$0.00

Withdrawals \$531,205.32

Customer YTD Earnings	\$5,960.03	Earnings	\$350.89
APY	2.03%	Balance 07/01/2008	\$350.89

Date	Description	Deposits	Withdrawals	Balance
06/03/2008	Opening Balance			\$531,205.32
06/10/2008	SWEEP WITHDRAWAL		5,609.14	525,596.18
06/13/2008	SWEEP WITHDRAWAL		525,596.18	0.00
06/30/2008	INTEREST	350.89		350.89
Closing Balance				\$350.89

Activity Summary

Sweep Deposits	
06/30/2008	350.89
Sweep Withdrawals	
06/10/2008	5,609.14
06/13/2008	525,596.18

COLUMBIA STATE BANK

PAGE 1 OF 1

COLUMBIA 01006060

United National LLC
 DBA Post Closing Dept Fnf-L Pcd
 2521 N Fremont St
 Tacoma WA 98406

Statement Period 06/03/2008 To 07/01/2008

Account Number: [REDACTED] 8249

Account Summary

Balance 06/03/2008	\$2,366,010.61
Deposits	\$0.00
Withdrawals	\$2,366,010.61
Customer YTD Earnings	\$25,993.64
APY	2.03%
Earnings	\$1,562.80
Balance 07/01/2008	\$1,562.80

Date	Description	Deposits	Withdrawals	Balance
06/03/2008	Opening Balance			\$2,366,010.61
06/03/2008	SWEEP WITHDRAWAL		158.00	2,365,852.61
06/06/2008	SWEEP WITHDRAWAL		120.00	2,365,732.61
06/10/2008	SWEEP WITHDRAWAL		24,550.84	2,341,181.77
06/13/2008	SWEEP WITHDRAWAL		2,341,181.77	0.00
06/30/2008	INTEREST	1,562.80		1,562.80
Closing Balance				\$1,562.80

Activity Summary

Sweep Deposits			
06/30/2008	1,562.80		
Sweep Withdrawals			
06/03/2008	158.00	06/10/2008	24,550.84
06/06/2008	120.00	06/13/2008	2,341,181.77

1 COLUMBIA STATE BANK

EXHIBIT 19

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2007, or tax year beginning 2007, ending 20.....
▶ See separate instructions.

OMB No. 1545-0099
2007

A Principal business activity Insurance	Use the IRS label. Otherwise, print or type.	Name of partnership United National, LLC	D Employer identification number 760000
B Principal product or service Insurance Policy		Number, street, and room or suite no. If a P.O. box, see the instructions. 2521 Fremont Street	E Date business started 8-2-02
C Business code number 524210		City or town, state, and ZIP code Tacoma, WA 98406-1614	F Total assets (see the instructions) \$ 76000 00

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

H Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **4**

J Check if Schedule M-3 attached. ☐

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	587481	94			
	b Less returns and allowances	1b		0	1c	0	
	2 Cost of goods sold (Schedule A, line 8)				2	0	
	3 Gross profit. Subtract line 2 from line 1c.				3	0	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement).				4	0	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))				5	0	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)				6	0	
	7 Other income (loss) (attach statement)				7	125538 70	
	8 Total income (loss). Combine lines 3 through 7				8	713020 64	
	Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)				9	339235 76
		10 Guaranteed payments to partners				10	0
		11 Repairs and maintenance				11	0
		12 Bad debts				12	0
		13 Rent				13	19512 30
		14 Taxes and licenses				14	39040 29
		15 Interest				15	0
		16a Depreciation (if required, attach Form 4562)	16a		0	16c	0
		b Less depreciation reported on Schedule A and elsewhere on return	16b		0	16c	0
		17 Depletion (Do not deduct oil and gas depletion.)				17	0
		18 Retirement plans, etc.				18	2857 41
		19 Employee benefit programs				19	0
		20 Other deductions (attach statement)				20	26448 11
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20					21	427093 87	
22 Ordinary business income (loss). Subtract line 21 from line 8				22	285926 77		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager: *Tim X. Kelly* Date: 2-28-08

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed ☐ Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP code: _____ EIN: _____ Phone no.: () _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form 1065 (2007)

0009

CONFIDENTIAL

EXHIBIT 20

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return 2007**

For the year Jan. 1-Dec. 31, 2007, or other tax year beginning 2007, ending 20

OMB No. 1545-0074

Label (See instructions on page 12.) Use the IRS label. Otherwise, please print or type.

Label HERE

QL 889 30
TROY X & DIANE D KELLEY
2521 FREMONT ST
TACOMA WA 98406-1614

IRS

Your social security number
Spouse's social security number

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 12) ☒ **You** ☐ **Spouse**

Filing Status

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here.
4 ☐ Head of household (with qualifying person). (See page 13.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 ☐ Qualifying widow(er) with dependent child (see page 14)

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
b ☒ Spouse

Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 15)
[REDACTED]	KELLEY	[REDACTED]	Son	<input checked="" type="checkbox"/>
[REDACTED]	KELLEY	[REDACTED]	Son	<input checked="" type="checkbox"/>

If more than four dependents, see page 15.

Boxes checked on 6a and 6b
No. of children on 6c who:
• lived with you 2
• did not live with you due to divorce or separation (see page 16) 0
Dependents on 6c not entered above 0
Add numbers on lines above 4

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 151778 37
8a Taxable interest. Attach Schedule B if required 8a 2476 29
b Tax-exempt interest. Do not include on line 8a 8b 0
9a Ordinary dividends. Attach Schedule B if required 9a 21760 15
b Qualified dividends (see page 19) 9b 3953 53
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 20) 10 0
11 Alimony received 11 0
12 Business income or (loss). Attach Schedule C or C-EZ 12 682 91
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☒ 13 1963 61
14 Other gains or (losses). Attach Form 4797 14 0
15a IRA distributions 15a 0 b Taxable amount (see page 21) 15b 0
16a Pensions and annuities 16a 0 b Taxable amount (see page 22) 16b 0
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 383755 34
18 Farm income or (loss). Attach Schedule F 18 0
19 Unemployment compensation 19 0
20a Social security benefits 20a 0 b Taxable amount (see page 24) 20b 0
21 Other income. List type and amount (see page 24) 21 0
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 562416 67

Adjusted Gross Income

23 Educator expenses (see page 26) 23 0
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 0
25 Health savings account deduction. Attach Form 8889 25 470 83
26 Moving expenses. Attach Form 3903 26 0
27 One-half of self-employment tax. Attach Schedule SE 27 48 24
28 Self-employed SEP, SIMPLE, and qualified plans 28 0
29 Self-employed health insurance deduction (see page 26) 29 0
30 Penalty on early withdrawal of savings 30 0
31a Alimony paid b Recipient's SSN 31a 0
32 IRA deduction (see page 27) 32 0
33 Student loan interest deduction (see page 30) 33 0
34 Tuition and fees deduction. Attach Form 8917 34 0
35 Domestic production activities deduction. Attach Form 8903 35 0
36 Add lines 23 through 31a and 32 through 35 36 519 07
37 Subtract line 36 from line 22. This is your adjusted gross income 37 561897 60

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 83. Cat. No. 11320B Form 1040 (2007)

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Form 1040 (2007)

Page 2

Tax and Credits**Standard Deduction for—**

• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 31.

• All others:
Single or Married filing separately, \$5,350

Married filing jointly or Qualifying widow(er), \$10,700

Head of household, \$7,850

38	Amount from line 37 (adjusted gross income)	38	561897	60
39a	Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a			
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here <input type="checkbox"/> 39b			
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	10700	00
41	Subtract line 40 from line 38	41	551197	60
42	If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the worksheet on page 33	42	4532	00
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	546665	60
44	Tax (see page 33). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> Form(s) 8880	44	162355	53
45	Alternative minimum tax (see page 36). Attach Form 6251	45		0
46	Add lines 44 and 45	46	162355	53
47	Credit for child and dependent care expenses. Attach Form 2441	47		32 20
48	Credit for the elderly or the disabled. Attach Schedule R	48		0
49	Education credits. Attach Form 8863	49		0
50	Residential energy credits. Attach Form 5695	50		0
51	Foreign tax credit. Attach Form 1116 If required	51		37 97
52	Child tax credit (see page 39). Attach Form 8901 If required	52		0
53	Retirement savings contributions credit. Attach Form 8880	53		0
54	Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859 c <input type="checkbox"/> Form 8839	54		0
55	Other credits: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55		0
56	Add lines 47 through 55. These are your total credits	56		70 17
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	162285	36
58	Self-employment tax. Attach Schedule SE	58		96 49
59	Unreported social security and Medicare tax from: a <input type="checkbox"/> Form 4137 b <input type="checkbox"/> Form 8919	59		0
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 If required	60		0
61	Advance earned income credit payments from Form(s) W-2, box 9	61		0
62	Household employment taxes. Attach Schedule H	62		0
63	Add lines 57 through 62. This is your total tax	63	162381	85

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	14643	24
65	2007 estimated tax payments and amount applied from 2006 return	65	174000	00
66a	Earned income credit (EIC)	66a		0
b	Nontaxable combat pay election <input type="checkbox"/> 66b			
67	Excess social security and tier 1 RRTA tax withheld (see page 59)	67		0
68	Additional child tax credit. Attach Form 8812	68		0
69	Amount paid with request for extension to file (see page 59)	69		0
70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70		0
71	Refundable credit for prior year minimum tax from Form 8801, line 27	71		0
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	188643	24

Refund

Direct deposit? See page 59 and fill in 74b, 74c, and 74d, or Form 8888.

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	26261	39
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a		0
b	Routing number			
c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
d	Account number			
75	Amount of line 73 you want applied to your 2008 estimated tax	75	26261	39

Amount You Owe

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60	76		
77	Estimated tax penalty (see page 61)	77		

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? ☐ Yes. Complete the following. ☐ No

Designee's name	Phone no.	Personal identification number (PIN)
-----------------	-----------	--------------------------------------

Sign Here

Joint return? See page 13. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Your signature	Date	Your occupation	Daytime phone number
<i>Tim X. Kelly</i>	3-15-08	Investor	(253) 906-4376
Spouse's signature. If joint return, both must sign.	Date	Spouse's occupation	
<i>Debbie S. Kelly</i>	3-15-08	Professor	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

Form 1040 (2007)

0002

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EXHIBIT 21

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

OLD REPUBLIC TITLE, LTD.,)	
)	
Plaintiff,)	
)	
vs.)	No. 10-cv-0038 JLR
)	
TROY X. KELLEY and DIANE)	
DUFFRIN KELLEY, individually)	
and as a marital community)	
)	
Defendants.)	

** ATTORNEYS' EYES ONLY**

VIDEOTAPED DEPOSITION UPON ORAL EXAMINATION OF

TROY X. KELLEY

MONDAY, AUGUST 2, 2010

A P P E A R A N C E S

FOR THE PLAINTIFF:

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ALSO PRESENT:

Tony Tibbetts, Videographer

Watkins Court Reporters

Rick Dosa

Old Republic

1 Q And I understand that you had a separate bank account at
2 Columbia Bank for the Old Republic reconveyance business?

3 A Yes.

4 Q Was that the account to which all the funds were
5 deposited?

6 A From Old Republic, yes.

7 Q Yes. I mean, not from other title companies?

8 A Yes.

9 Q You had separate accounts for different other title
10 companies?

11 A Yes, correct.

12 Q You had a Fidelity account, you had a Stewart Title
13 account, you had a First American account?

14 A Correct.

15 Q Were, then, any third-party payments or checks made, were
16 they written out of this same account?

17 A Yes.

18 Q So the account that Old Republic had at Columbia Bank
19 would be a pretty good snapshot of the financial activity
20 involved in your reconveyance business for Old Republic
21 in that two-year period?

22 A I would say probably not.

23 Q What would be missing?

24 A Well, when we started with Stewart, I would say it would
25 be a very, very good snapshot, because everything was

1 before posting it on the website?

2 A I don't remember.

3 Q Did you typically do the posting on the website or did --
4 was that done by your employees?

5 A Typically, Jason.

6 Q Do you know if, in this instance, with respect to
7 explaining the 800,000 plus dollars, whether he did the
8 posting on the website?

9 A I don't know.

10 Q Any way you might recall that or figure that out?

11 A No, but it was either myself or Jason.

12 Q Did you review and approve it before it was posted on the
13 website?

14 THE COURT REPORTER: I'm sorry, what did you
15 say?

16 Q (By Mr. Smith) Did you review and approve it before it
17 was posted on the website?

18 A Yes.

19 Q And was this an Excel spreadsheet?

20 A Yes.

21 Q And what happened to the copy of the Excel spreadsheet on
22 your computer after you reviewed and approved it and then
23 it was posted on the website?

24 A It would have been there for quite some time.

25 Q Where is it now?

1 A I -- my computer doesn't work anymore from a couple years
2 ago. I had to purchase a new computer about a year ago.

3 Q When did you purchase a new computer?

4 A The new computer was purchased in January of 2010, and
5 for a period of time, I didn't have a computer.

6 Q And where is the old computer that has this Excel
7 spreadsheet on it?

8 A The old computer was, first of all, I'm sure it was
9 cleaned and given to a Goodwill or another type of
10 entity.

11 Q And when did you do that?

12 A That was more than a year ago.

13 Q Do you recall any specific detail as to when you did
14 that?

15 A No. No. May have been even more than that.

16 Q Would you have gotten a receipt from Goodwill for having
17 donated a computer to them?

18 A Probably not.

19 Q And why not?

20 A Because we usually don't get receipts from Goodwill,
21 though we make a lot of donations.

22 Q Had that computer been functioning until you stripped it
23 out of all data and then gave it to Goodwill?

24 A The computer was not functioning whatsoever, actually.
25 We couldn't even get it to turn on.

1 Q When did it stop functioning?

2 A Again, more than a year ago. Maybe 18 months, in that
3 range.

4 Q So what did you do for a computer between the time it
5 stopped functioning and when you purchased a new one?

6 A Had a laptop.

7 Q Did the laptop have a copy of this Excel spreadsheet?

8 A No, it was my wife's laptop.

9 Q Let's go back to the typical transaction where Amber or
10 perhaps Jason, but someone entered data from the check
11 and from the one-page PCD sheet into a spreadsheet.

12 What happened next?

13 A After the spreadsheet was completely filled out? Is that
14 where I'm --

15 Q Yes.

16 A -- continuing from?

17 At that point --

18 Q I take it that was the step she took after picking up
19 this package of reconveyances.

20 A Correct. She entered all the information --

21 Q Okay.

22 A -- from those two pieces of paper into the spreadsheet.
23 Then, it varied with what type of file it was or which --
24 what documents we had with us. A lot of times we had the
25 actual deed of trust, note, and other items that went

1 Sometime later, they moved us again back to the main
2 Stewart office. First back to the basement and then the
3 last year or so, I mean, well, before '08, so '06, '07,
4 sometime in that time frame, they moved us up to their
5 second floor offices, which had a completely separate
6 entrance along with another business was there, I
7 believe, and a bunch of Stewart employees. We had our
8 own locked door. And we were there until the fire.

9 Q Do you recall when it was that you moved back to the
10 Wetmore address after being in that office five miles
11 away?

12 A No, other than it was a couple years before June of 2008.

13 Q So maybe sometime in '06?

14 A That would be a guess I wouldn't disagree with.

15 Q And when you moved back to the Wetmore address after
16 being in the office five miles away, they put you back in
17 the basement?

18 A I believe so.

19 Q And how many people could work down there?

20 A The basement was big. Under our floor plans I could have
21 probably had six or seven in there.

22 Q How many typically worked there?

23 A I typically had two or three and then the managers
24 visiting, from Jason to myself, with our own desk.

25 Q So did Jason not typically work there?

1 A He typically worked there, and for a while, he may have
2 been the only employee. But near the -- in 2008, he
3 typically did not work there on a daily basis.

4 Q Where was he working?

5 A He worked out of his home and out of that office
6 partially. And I believe that was -- those were the only
7 locations for him.

8 Q Either his home or the Wetmore address?

9 A Correct.

10 Q Starting when? Early '08?

11 A Late '07 or early '08, is my best recollection.

12 Q Had Amber continued to work full-time in the Everett
13 office until the fire?

14 A Yes, for the most part, but I don't think she was there
15 five days a week. But I have to check with Jason since
16 he was managing her.

17 Q Did she work elsewhere or was her job not full-time?

18 A Her job was full-time. She would have either been in
19 that office or doing some work from home.

20 Q The majority of her work was in the Stewart Title office?

21 A Yes, correct.

22 Q And then sometime -- I guess my question is when you
23 moved out of the basement into a second-floor office with
24 a completely separate address.

25 A Address is the same, I believe.

1 Q Oh, completely separate entrance?

2 A Yes.

3 Q All right. And when was that move?

4 A In that same time period, I think I said maybe two years
5 before, at least one year before the fire.

6 Q And I thought you moved back to Wetmore two years before
7 the fire and then sometime after that moved out of the
8 basement into the second floor office.

9 A I don't know how long we were in the base -- basement the
10 second time. We were there the first time a long time.
11 But those time frames are about right. I don't have the
12 exact dates, Stewart might.

13 Q Did they charge you different rent to be in the basement
14 than to be in the second-floor office?

15 A I'm not sure, but they did charge us different rent to be
16 in the larger space.

17 Q Was the second-floor office the larger space?

18 A No, the basement was larger.

19 Q What was the larger space?

20 A The larger...?

21 Q You said they charged you more to be in the larger space
22 --

23 A The -- the --

24 Q What space is that?

25 A The largest space that we occupied was the completely

1 A Most of our records were stored with their records in the
2 basement, but they kept switching the basement from
3 storage to our office.

4 Q At the time of the fire, where were your records?

5 A I believe everything was exclusively in the basement at
6 that time.

7 Q Who would know for sure?

8 A I would be responsible for knowing. Carl -- Carl
9 Jorgensen would know what the office configuration looked
10 like. Probably Amber.

11 Q And what records did you have at the office?

12 A So, our records were very limited, and that's very, very
13 different than the title company. We might have had the
14 statements showing when the charges were made, under our
15 control in their basement, just be a box or two total,
16 Bankers Box or two.

17 Then we had a, I would call tremendous amount, they
18 might not, amount of documents, the trustee documents,
19 where we prepared the reconveyance.

20 But we put together all of the documents that they
21 needed to keep, boxed them up, notated the outside of the
22 box what the file was for, and then we gave it to Stewart
23 Title as we gave to Fidelity and other clients as well.
24 And they would then keep it there.

25 I believe it was kept with our reconveyance material,

1 A The backup for the documents, I mean, we sent letters, we
2 may have retained some. That was probably on the
3 computer. We probably did not maintain a piece of paper
4 that showed letters or other documentation.

5 Q So if you or Amber wrote a letter to a bank or trustee to
6 follow-up on the status of a reconveyance, most likely
7 that was preserved on a PC and not photocopied and put in
8 a box in the basement at Stewart Title?

9 A Correct. It would be preserved probably till the next
10 letter went out to that company, where it would be
11 redated. I don't think we saved every additional copy,
12 even a soft copy of that, of every letter that went out,
13 but the log was notated each time.

14 Q What I'm trying to understand is, what backup documents
15 were in these two Bankers Boxes that you say were
16 destroyed in the fire?

17 A The copy of the log, and --

18 Q But that was available on the computers?

19 A Correct. And the itemized copy of the monthly charge,
20 which was a snapshot of the log at any one time showing
21 the charges for, let's say, the month of April '08. So
22 you have those charges in the log, you also have them
23 broken out separately in a sheet, usually a spreadsheet,
24 showing each of the charges for April '08. So we had
25 copies of that. You'd call them photocopies.

1 the title company, what I consider the title company
2 boxes. We would not maintain those files.

3 Q Did you periodically return boxes or folders of
4 information or documents to Old Republic Title?

5 A To most clients, yes. To Old Republic, I can't -- can't
6 specifically recall.

7 Q So for Old Republic and other customers, there wouldn't
8 have been any of those documents in the Stewart Title
9 building at the time of the fire?

10 A There may have been some documents that were being
11 actively worked on for Stewart Title and for other
12 clients, that could have been in the fire. I don't think
13 we would typically store our Old Republic files at
14 Stewart Title; our Old Republic-owned documents at
15 Stewart Title.

16 Q Were there at any time any documents to reflect the
17 additional charges that PCD claims it had a right to
18 collect other than the \$20 base fee?

19 A Yes.

20 Q Where would those documents be?

21 A There would be e-mails from Fidelity specifically
22 authorizing those charges. Probably from Stewart.
23 Possibly First American.

24 Q Anything other than e-mails?

25 A E-mails and the log, again, that each client reviewed.

1 beginning, so I think we started with them maybe in '03
2 or '04, probably '03.

3 Q Did you save a copy of that e-mail?

4 A I don't have a copy, no.

5 Q Did you ever have a copy of the e-mail?

6 A Yes, as long as we had the information on the server, I
7 kept it.

8 Q What would happen to the e-mail?

9 A When we turned off the server, I don't know if it's still
10 up there, hopefully there --

11 Q "The server" meaning your ...?

12 A The web page. When the company was folded down in June,
13 I turned off the -- the web page, but I assume Fidelity
14 retained a copy of that. They specifically requested the
15 e-mail, they got the e-mail.

16 Q So when you shut down your website, you lost all of your
17 company e-mails?

18 A I did not have them backed up any other way. And there
19 -- there wasn't that much e-mail traffic.

20 Q Did it occur to you that you might be eliminating or
21 destroying or discarding some e-mails that you might want
22 to have later?

23 A No.

24 Q Did you know at the time you shut down the website that
25 you would lose all your e-mails?

1 A No, I did not.

2 Q When did you learn that?

3 A When we tried to get the e-mails. So, several months
4 later.

5 Q Do you use Outlook? Do you use --

6 A No, I --

7 Q -- Windows Outlook?

8 A Nope.

9 Q What do you use?

10 A I use a web-based program. At Yahoo. Yahoo hosts the
11 website. I have an Outlook account within the
12 legislature, that's, I think, the only time I use
13 Outlook.

14 Q So before your home PC no longer functioned, did it have
15 copies of any e-mails that you sent or received?

16 A No, the home PC did not.

17 Q Did any other PC that you had access to have copies of
18 any e-mails that you sent or received at any time?

19 A No. No PC that I had ever had e-mails. Everything was
20 web based. My campaign e-mails are still the same way,
21 web based 100 percent.

22 Q Why did you close down your business website in
23 June 2008?

24 A Because the business was closing down.

25 Q When did you make the decision to close down the

1 business?

2 A I'm not sure about when the final decision was. I was
3 thinking about closing it down in April, well, actually
4 early May. Early May, for the first time we saw the
5 numbers really take a dive.

6 Q What numbers took a dive?

7 A The order numbers from each of our offices. And we had
8 just lost Fidelity as the -- as the large account. We
9 just lost Fidelity Lynnwood as a client.

10 Q So started thinking about it in early May. When was the
11 actual decision made to close down the business?

12 A I mean, the actual final decision was probably right
13 after the -- the fire. But even without the fire, I
14 think we would have closed the business.

15 Q Why did you continue the business in one state and close
16 it in Washington?

17 A Because the structure of the business was very different
18 in Oregon. So I decided to start a new business, similar
19 clients, and they really wanted me to keep working,
20 though the business was structured very, very differently
21 at that time.

22 Q Was it more profitable for you to do the Attorney Trustee
23 Services reconveyance business in Oregon than it had been
24 to do the same business in Oregon through PCD?

25 A With regard to the same business, pretty similar. It was

1 ask, from their perspective, Tell me about your business
2 relationship with PCD and ATS, you think these three
3 people would have the most knowledge?

4 A Yes. I don't know if they'd answer you, but yes.

5 Q Did you provide any computers, cell phone or other office
6 equipment to any of your employees at any time?

7 A Cell phones, no. Most of the computers were housed or
8 hosted by the title companies, so we used their
9 computers.

10 Q How about landline phones, if not cell phones?

11 A Those were exclusively paid for and set up by title
12 companies, with the possible exception of Bellingham,
13 which I don't remember the fax. That was a while ago.

14 Q Did you have any computers that you provided in the
15 Stewart Title offices in Everett?

16 A We had computers that were provided to us, and I had one
17 laptop that -- that we had up in that office.

18 Q Who provided the computers to you?

19 A All the desktops were provided by Stewart Title, and the
20 one laptop was provided by me.

21 Q Who used the laptop?

22 A Myself. Probably Amber, or maybe not Amber, but
23 possibly. And probably Jason.

24 Q And where is that laptop now?

25 A That was in storage as well. That was burned in the

1 fire. But I would guess that Stewart had backups of the
2 records when we used their computers.

3 Q Were the computers that you used at Stewart Title through
4 the years part of their local area network?

5 A Yes and no. I believe they were in the -- the land
6 sometimes. And I believe other times, for security
7 reasons, they had us outside the network but on their
8 Internet.

9 Q And when you say your laptop was in -- in storage and
10 burned up in the fire, where physically was it when the
11 fire took place?

12 A Everything was in the basement, which, you know, served
13 as an office.

14 Q And how about the computers that were being used by your
15 people?

16 A The -- the main computer, I don't recall, but I have no
17 reason to guess it wasn't in the main office.

18 Q Which is that second-floor office?

19 A Correct, second-floor office.

20 Q And how many computers were your people working with or
21 using at that time, at the time of the fire?

22 A Just the two, and the main computer was the Stewart
23 computer.

24 Q No, I'm talking about the actual keyboards and monitors
25 that your people used at Everett at the time of the fire.

1 A One desktop, keyboard, monitor, and then one laptop.

2 Q Okay. And before the fire took place, somebody walked to
3 the building next door and put it in the basement?

4 A No, no, we had a lot of stuff in storage there --

5 Q Why was --

6 A -- that we weren't using.

7 Q -- the laptop in storage?

8 A That's where we kept it.

9 Q Did you ever use the laptop?

10 A I did when I was there. Jason did. And I think when the
11 other computers went down, sometimes Amber did.

12 Q So when you would stop in at the Stewart Title office,
13 would you go retrieve the laptop from the basement?

14 A Yes.

15 Q And then you'd bring it up into the second floor of the
16 building next door?

17 A Yes.

18 Q And then when you left, you would go to the Stewart Title
19 main office, into their basement and put the laptop there
20 before you left?

21 A Yeah, there was a stairway adjoined between the two.
22 Separate front entrance of both buildings, but there was
23 an interior stairway. It may have even got exterior for
24 a little bit, but there was a -- there was a connection
25 between the two buildings.

1 Q But you would go to the trouble of putting the laptop
2 that you were using while you were in the office into the
3 basement of the building next door?

4 A Only if I wasn't going to be back for a quite a while,
5 so, you know, a month or so. If I was going to be back
6 in a week, I'd just leave it up there.

7 Q Are you confident that the laptop was in the basement at
8 the time of the fire and not next to the desk or chairs
9 or other desktop PC in the second floor of the building
10 next door?

11 A I think it was, but no, I can't say for sure.

12 Q Who might know?

13 A Management of the building, I guess. Whoever does
14 property management there. That would be either Carl
15 Jorgensen or his designee.

16 Q And what happened to the stand-alone computer that was
17 being used by your folks after the fire?

18 A I don't know. I believe it's still there. May be smoke
19 damaged, but that part of the office did not burn.

20 Q So the only fire damage was not to the place where you
21 had your office but to the storage room in the basement
22 of the building that experienced the fire?

23 A I believe there was fire damage in the office, but the
24 only complete destruction was of the entire Stewart
25 complex including the basement, including title files,

1 action lawsuits when I closed the business.

2 Q Where would you say PCD's principal place of business was
3 through the years? And if it changed, what was the
4 change?

5 A Principal in terms of corporate records or in terms of
6 where we did most of our business?

7 Q If you're filling out a form and it said, "What's your
8 principal place of business," what would you fill in the
9 blank?

10 A If it was a government form and I had to get the
11 documents mailed back to me, I'd probably put my home
12 address so the documents don't get lost like in the past.

13 If it's where we did all our business, I'd probably
14 say Everett, the first office, and the office we had all
15 of -- till the very end.

16 Q In terms of places of operation, has it always been the
17 Everett office while PCD was in business?

18 A Yeah, the -- the Everett office and the various places
19 they moved us to. Our main clients were in Everett,
20 Lynnwood, and that was really it in terms of market
21 share. That's where we were really based.

22 Q Why didn't you use that as a mailing address?

23 A I didn't want stuff getting lost as it had previously
24 when I used Pine Street.

25 Q Where were you when the Stewart Title building burned

1 down?

2 A At home.

3 Q When did you first hear about the fire?

4 A I think I saw it on television.

5 Q And when did you first go up and to the building?

6 A I think I waited a week or so. I wanted to make sure
7 that I could at least get into the office, if possible,
8 or see what was going on without interfering with the
9 recovery efforts.

10 Q When did you first learn that you'd lost anything in the
11 fire?

12 A I think when I went up there. So again, I didn't know
13 the situation. I didn't know what was burned. I didn't
14 know our part of the office was even standing. So I was
15 able to go look through everything at that point.

16 Q So the place where you had your office was relatively
17 unscathed, there was no fire in that building?

18 A It was adjoining, it's the same building. So there was
19 smoke damage. It was uninhabitable. You could go in for
20 short periods of time. So it was damaged, but it wasn't
21 burned to the ground like the remainder of Stewart Title.

22 Q But -- but whatever papers were in that other office were
23 not burned?

24 A Correct, the papers did not burn in that other office.

25 Q I mean, there wasn't a fire physically in the office

1 where you were located?

2 A Correct. Correct.

3 Q Okay. And you said the computer was smoke damaged but
4 not damaged beyond being able to work?

5 A I didn't see it. I -- the computer was removed at that
6 point. I don't think -- I have no reason to believe the
7 computer was fire damaged.

8 Q Or any reason to believe that it did not work?

9 A No.

10 Q No reason to believe that?

11 A Correct, no reason to believe the computer did not work.

12 Q Describe your relationship with Amy Cobine and her
13 company that had the same name, a Post Closing
14 Department.

15 A First, The Post Closing Department is a name that every
16 title company seems like they're taking these days.
17 First American uses it. Fidelity uses it. Not sure
18 about Old Republic.

19 They set up subsidiaries based on that because it's
20 something that happens after closing. Amy Cobine had the
21 same exact name or similar, maybe not exactly the same,
22 name of the company.

23 She was a --

24 Q Let me interrupt if I can.

25 Do all companies that have sort of post closing

1 A Yes.

2 MR. SMITH: We'll go ahead and take a break.

3 THE VIDEOGRAPHER: Going off the record. Time
4 is 1:55 p.m.

5 (Recess taken from 1:55 to 2:09 p.m.)

6 THE VIDEOGRAPHER: Back on the record. Time is
7 2:09 p.m.

8

9 E X A M I N A T I O N - (Continuing)

10 BY MR. SMITH:

11 Q Okay. Mr. Kelley, we're back on the record.

12 Of the \$3.8 million that you transferred ultimately
13 into a Vanguard account in June 2008, have you
14 transferred or moved any of those funds into any foreign
15 or overseas accounts.

16 A On advice of counsel, I can --

17 MS. ENDEJAN: Well, okay. Let's -- you're
18 getting into an area where, first of all, A, I want the
19 record to reflect, if you're going to start inquiring
20 about his bank accounts or financial information, I want
21 this portion of the transcript designated as
22 confidential.

23 And, B, he -- we're not talking about this counsel
24 when he's talking about counsel. So to the extent you
25 ask him questions that relate to advice he received from

1 other attorneys, I'll do the best that I can to assert
2 that.

3 But I just wanted to be clear on those two points,
4 that if you're going to ask about bank records and bank
5 accounts, that's confidential; and he will explain to
6 you, I guess, who this other attorney is and --

7 MR. SMITH: Okay. And I think you're permitted
8 to designate anything you want as confidential --

9 MS. ENDEJAN: Okay.

10 MR. SMITH: -- if we don't agree, we can --

11 MS. ENDEJAN: Right.

12 MR. SMITH: -- talk about it later.

13 MS. ENDEJAN: Right. But --

14 MR. SMITH: That's fine.

15 MS. ENDEJAN: -- I just wanted the record to
16 reflect --

17 MR. SMITH: Yeah. Yeah.

18 MS. ENDEJAN: -- that, I don't know how far
19 you're going with this, but starting now, I want it
20 confidential. Okay?

21 MR. SMITH: You don't need my agreement. You
22 can designate anything you want to be confidential.

23 MS. ENDEJAN: Well, I'm doing it.

24 MR. SMITH: Yes.

25 Q (By Mr. Smith) Okay. Question still stands.

1 A I work with an estate and trust attorney, and there is a
2 very small amount of money that was transferred to an
3 account to keep it active. I think \$3,500 was
4 transferred to a foreign bank account.

5 Q And when were the -- just under \$10,000?

6 A Yes.

7 Q And when was the money transferred there?

8 A Approximately June or July.

9 Q Of what year?

10 A Of 2008. And --

11 Q What was the purpose --

12 A And it may be after that as well. I'm not sure, with
13 timing, on how long these things get -- take to get set
14 up, but that's when he was giving advice, and that's when
15 the account was meant to be set up. It may have been
16 several months after that.

17 Q And where is the account?

18 A The account is in Belize.

19 Q Have you ever been to Belize?

20 A Never been to Belize.

21 Q Why Belize?

22 A Advice of counsel, the estate and trust attorney.

23 MS. ENDEJAN: Well, don't -- to the extent,
24 don't disclose any counsel-given advice.

25 THE WITNESS: Okay.

1 MS. ENDEJAN: Okay?

2 THE WITNESS: Okay.

3 MS. ENDEJAN: I mean, anything he said --

4 THE WITNESS: On the advice of counsel, then, I
5 guess --

6 MS. ENDEJAN: -- to you is protected by an
7 attorney-privilege.

8 THE WITNESS: Okay. I have no special
9 knowledge in this area, so on advice of counsel, that's
10 -- that's why the money is there.

11 Q (By Mr. Smith) Do you have any plans to transfer any
12 additional funds to that account at any time?

13 A No.

14 Q Do you think you will be doing that at any time?

15 A I do not think I will be transferring money there.

16 Q Is the account set up in your name?

17 A Again, on advice of counsel, I'm not sure the specifics.

18 Q I'm just asking you the name of the account holder.

19 A I -- I don't know the name of the exact account holder.
20 I assume it's not for a third party unrelated to me,
21 though. But I don't know if it's in my name or how he
22 set it up.

23 Q Have you ever heard of Wellington Trust?

24 A Yes.

25 Q Is that the name of the account holder?

1 A That's the name of the trust, but I'm not 100 percent
2 sure that's the name of the account holder.

3 Q What is the Wellington Trust?

4 A On advice of counsel, he set up a trust for me based on
5 estate planning.

6 Q Are you concerned that your income or your assets may
7 exceed the federal taxation guidelines for estates?

8 A Not during this year. It's very problematic, what's
9 going to be done in the future. It may exceed it, it may
10 not. I don't think this transaction has anything to do
11 with that.

12 (Exhibit Number 1 marked.)

13 Q (By Mr. Smith) I'm handing you what's been marked as
14 Exhibit 1. Do you recognize this as a page from United
15 National's web page?

16 A No, I do not. What this appears to be to me is a page
17 that was worked out and put up on the work site. I don't
18 know if it was ever up on the public site, per the, you
19 know, never being able to do business with the Cobines.

20 Q Read the first sentence, please.

21 A "Amy Cobine is Division President responsible for post
22 closing services."

23 Q And this is United National, correct?

24 A This is correct. But again, I do not know if this was
25 ever publically posted on the website.

1 Q Did you ever do any business in Utah?

2 A Yes.

3 Q None with Amy Cobine?

4 A Not that I can recall, unless I outsourced some of the
5 work.

6 Q Mr. Kelley, do you remember leaving a voicemail message
7 for Carl Lago on June 27, 2008? This would be two days
8 after the fire.

9 A No, but I may have. And I thought I talked to him at
10 that point. I think I did, actually.

11 Q In -- in the voicemail message, which he saved a copy of,
12 you're telling him you're on vacation. Were you on a
13 vacation or were you at home?

14 A I'd have to look at my calendar.

15 Q You testified earlier today that you were at home at the
16 time of the fire.

17 A At the time of the fire, correct.

18 Q Were you on vacation two days later?

19 A I'd have to check my calendar.

20 Q You left a voicemail message for Patty Leveck, I can't
21 remember if it was that day or the day after, saying
22 you're not only on vacation but you're out of the
23 country.

24 Were you out of the country in June 2008?

25 A I'd have to look.

1 Q When was the last time you traveled out of the country?

2 A Traveled out to France in June of last year, the year
3 before. I'd have to see if that was when the trip was.
4 Probably wasn't in June of '08, though, I don't think,
5 unless I was up in Canada. I wouldn't travel out during
6 an election year, most likely.

7 Q Do you think that was not a correct statement when you
8 told Carl and Patty Leveck that you were on vacation or
9 out of the country?

10 A I don't know about on vacation. Out of the country, I'd
11 have to check. That should be easy enough to verify.

12 Q Wouldn't you have a memory if you were out of the
13 country? That -- I mean, to me that's a big deal, travel
14 out of the country, unless I'm going up to -- short trip
15 in Canada.

16 A Been to Canada a couple times. Travel down to California
17 to see my parents. I go to Mexico. Europe is a big --
18 big trip, obviously. Been to Korea several times with
19 the Army, five times now. I don't think that matches up
20 with any of those times.

21 Q June '08 was a pretty big month, wasn't it?

22 A Yes.

23 Q Probably the most significant month in your -- your life
24 of United National?

25 MS. ENDEJAN: Object to the form of the

1 question.

2 THE WITNESS: We were picking up a new client
3 and losing a business, yeah, those are big months. But
4 it's easy enough to verify. I mean, I can go back and
5 see what I can find on the calendar to see if I was on
6 vacation or not.

7 Q (By Mr. Smith) Can you do that?

8 A I assume I was on vacation if I said I was. I'm not sure
9 about out of the country. If I said that, I guess you'll
10 show me.

11 Q Will you let counsel know?

12 MR. SMITH: And, Judy, will you let us know if
13 he's out of the country?

14 MS. ENDEJAN: Sure.

15 MR. SMITH: Thank you.

16 MS. ENDEJAN: June 27th, '08.

17 (Exhibit Number 8 marked.)

18 Q (By Mr. Smith) Exhibit 8 is a letter dated
19 October 1, 2008, from Tom Loeser to -- I'm sorry, it's
20 addressed to Tom Loeser from Tom Garardi.

21 Who is Tom Garardi?

22 A He's an attorney in California.

23 Q Have you seen this letter before?

24 A Yes.

25 Q And do you recognize the name Tom Loeser?

1 speculate.

2 Q The spreadsheet would have also been on computers used by
3 some of your employees, correct?

4 A Correct.

5 Q Did you make any inquiry whether those employees still
6 had a copy of these spreadsheets on their computers
7 before your attorney represented that all of your records
8 were destroyed?

9 A Yes.

10 Q And what did you learn?

11 A I went to Stewart, asked for the file and learned that
12 they had moved the computer, and they had taken it back
13 in. I'm not sure if they cleaned it or whatever. But
14 they have the computer. So I don't know if I can get
15 access to it, but again, it's out of my control.

16 With the laptop, the laptop is gone. We were not
17 able to recover that. So those were the computers where
18 I believe the files were held. Plus it was on the Yahoo
19 website.

20 Q Plus it was on the desktop computer at Stewart Title?

21 A Yeah. That was the second computer, yes.

22 Q And, I'm sorry, you did or didn't make an inquiry of
23 Stewart Title, that, Hey, I've got a pretty critical
24 document, I'd really like to download it, may I please do
25 that? Can you help me find that computer?

1 A Several Bankers Boxes, I think there was more than two.

2 Q You testified there were two previously. Are there now
3 more than that?

4 A I mentioned that there was approximately two, in terms of
5 our records, but many more records of the title companies
6 that were there. More than a dozen, I believe I said.

7 Q Would you have been putting your bank records into the
8 title company boxes of records?

9 A Not in the title company boxes of records, no. Separate
10 shelf space.

11 Q In June 2008, you wire transferred funds from your
12 Columbia general bank account, actually from your three
13 separate bank accounts for Fidelity, Stewart Title and
14 Old Republic, to a newly created account, correct?

15 A Correct.

16 Q Why did you do that?

17 A On advice of counsel, I was consolidating the bank
18 accounts as we consolidated the business.

19 Q How were you consolidating the business in June 11th or
20 12th?

21 A As I mentioned, I was possibly preparing to close the
22 business. Again, the fire wasn't the end all, be all.
23 The business was probably going to close, that just made
24 the decision very easily -- easy.

25 Q So what role did the fire have in your decision to shut

1 Q Where was that account located?

2 A Tacoma.

3 Q Tacoma area?

4 A Yeah.

5 Q And again, this was in the name of United National?

6 A The first transfer was in terms of consolidating under
7 Post Closing, under one umbrella. And then the second
8 was closing out the division and transferring the money
9 to United National.

10 Q When you started this series of wire transfers, who did
11 the money belong to, the \$3.8 million?

12 A The money was earned, so it belonged to my company.

13 Q Which is?

14 A The United National.

15 Q And -- and then what would United National do with it?
16 Distribute it to its shareholders?

17 A Correct.

18 Q When -- when did United National realize that income?

19 A The income was earned, but not realized, based on --
20 based on advice of counsel and --

21 Q When --

22 A -- estate planning.

23 Q When was it realized?

24 A That income has still not been realized, on advice of
25 counsel and private letter rulings.

1 Q When is it going to be realized?

2 A Under advice of counsel, I don't know exactly.

3 MS. ENDEJAN: Well, if it's -- in order to
4 answer the question, if you have to reveal confidences
5 from your -- your attorney, then don't answer the
6 question.

7 THE WITNESS: Okay. So on advice of counsel --

8 Q (By Mr. Smith) Do you have any intention of paying taxes
9 on that money?

10 A Yes.

11 Q When?

12 A On advice of counsel, when he tells me to.

13 Q Any estimate of whether that will be one year, two years,
14 ten years?

15 A My general understanding?

16 MS. ENDEJAN: Your --

17 THE WITNESS: On the advice of counsel...

18 MS. ENDEJAN: If you have a general
19 understanding other than from what you learned from
20 counsel, just you, Troy Kelley's understanding.

21 THE WITNESS: My understanding of the private
22 letter rulings is that it will be -- it's already earned,
23 but it will be realized over time.

24 Q (By Mr. Smith) Private letter rulings written by whom?

25 A Those private letters rulings were written by the IRS to

1 personal accounts?

2 A It would have been transferred to a company account
3 first, when the income was realized.

4 Q And then what?

5 A And then it would have been transferred to shareholders,
6 including myself. But --

7 Q Any other shareholders of Blackstone?

8 A No.

9 Q Okay. So any transfers of an asset to Blackstone is
10 essentially a transfer of money to you?

11 A I am the sole owner of Blackstone.

12 Q Have you always been?

13 A I'd -- I believe so.

14 Q After you wired the funds to US Bank, that was a newly
15 created account, wasn't it?

16 A Yes.

17 Q You then wired it, as soon as it cleared, into another
18 account in Nevada, correct?

19 A Yes.

20 Q And this account was the name of Blackstone
21 International?

22 A Yes.

23 Q Is that company still in existence?

24 A Yes.

25 Q And then you formed a new company, that same month of

1 June, called Berkeley United?

2 A My estate attorney did.

3 Q Was the new company formed for you, Mr. Kelley?

4 A Yes.

5 Q Did you typically form your companies or did you have
6 outside counsel do that?

7 A Typically, I formed them.

8 Q But this one was formed by a lawyer you hired for you?

9 A Correct.

10 Q And we're talking about Mr. Eber?

11 A Correct.

12 Q Why were the funds transferred to Berkeley United?

13 A Advice of counsel. I don't know.

14 Q Why did you go to the trouble of creating a new account
15 called -- a new company called Berkeley United to hold
16 the -- the majority of the \$3.8 million?

17 A Estate planning, on advice of counsel.

18 Q You studied tax, didn't you?

19 A Yes.

20 Q Take tax courses in law school?

21 A Yes.

22 Q Take tax courses in business school?

23 A Yes.

24 Q Got a JD/MBA?

25 A Yes.

1 Q You've taught tax, Mr. Kelley.

2 A Yes.

3 Q Can you give me a good reason why you've created a new
4 company to hold \$3.6 million, received the funds after
5 they were wire transferred through three different
6 states, three different entities --

7 A Extremely argumentative --

8 MS. ENDEJAN: Object to the form. Getting a
9 little --

10 THE WITNESS: Yeah.

11 MS. ENDEJAN: -- argumentative here.

12 THE WITNESS: Yeah, a little rough here.

13 So first, let me clarify, Blackstone, being a Nevada
14 corporation, could not have a Washington account; we had
15 problems, so we set up a Nevada account.

16 Second, this is for estate planning. I'm not going
17 to tell anybody I'm an estate planner. I had an estate
18 planning attorney.

19 I do know tax, and the tax treatment here is, I don't
20 believe that complicated, but again, the transaction was
21 set up for the estate planning.

22 Q (By Mr. Smith) An interest -- any interest in trying to
23 avoid payment of these funds to your creditors?

24 A Again, based on the estate planning, I don't know what --
25 how the attorney did it or why.

1 not pay any consideration or provide anything in value in
2 return for its portion of the \$3.8 million?

3 A I'd say, yeah, under my knowledge or, you know, what I
4 know is, I -- I don't know. I couldn't say no or I can't
5 say yes.

6 Q How did you come to hire Alan Eber? Did you know him
7 before?

8 A I had heard the name before. And somebody I did business
9 with or knew ten years ago or 15 years ago had mentioned
10 him. And I recently, you know, 2008, called him and
11 started talking about structuring a transaction. And he
12 thought I should do it immediately, but I wanted to think
13 things over.

14 Q When did you first contact him?

15 A Sometime in the spring of 2008. I -- I'm not sure of the
16 date.

17 Q And what's his specialty, to your knowledge?

18 A Estate planning, taxes, I think.

19 Q Do you know him to be a specialist in asset protection?

20 A Yes, I think so.

21 Q Has any other company requested that you return any of
22 the funds that you received from them?

23 A No.

24 Q Has any other company claimed that you failed to make
25 customer refunds?

1 the business?

2 A If I'm on the phone, he might look at it. . Broad
3 interest.

4 Q Next is a check to ASECS. And what is that?

5 A I think that's a professional association, like the
6 title -- title industry or another association. That is
7 my wife's association. The only reason she is in it is
8 for her own profession and business.

9 Q So this is a professional expense for your wife, how is
10 it an expense of United National?

11 A She's an employee, and we take care of specific
12 associations for her --

13 Q And what --

14 A -- as a courtesy.

15 Q -- does ASECS stand for?

16 A I don't know.

17 Q Did you pay any other professional dues or society
18 expenses for any of your other employees, other than your
19 wife, as a business expense of United National?

20 A I may have paid other expenses. You have the checks, you
21 looked at them more recently than I have.

22 Q Point Defiance Zoo Society. What's that for?

23 A Probably a contribution.

24 Q Not annual dues to go visit the zoo with your kids?

25 A I don't know. It might be a membership.

EXHIBIT 22

EXHIBIT 25



Direct Inquiries to:
Broadway
(253)305-1940
1102 Broadway
Tacoma, WA 98402

STATEMENT OF ACCOUNT

Statement Date: 06/30/08
Last Statement Date: 05/31/08
Account: [REDACTED] 1629

Watch your money, and the
environment, grow green!

Grow Green

Please visit www.ColumbiaBank.com for details.

UNITED NATIONAL LLC
DBA POST CLOSING DEPT., ORT-WA (PCD)
2521 FREMONT ST
TACOMA WA 98406-1614

3340

**SUMMARY OF ACCOUNT BALANCES**

Account Name	Account Number	Ending Balance
Small Business Checking	[REDACTED] 1629	\$-8.00

SMALL BUSINESS CHECKING

Account Number	Beginning Balance
[REDACTED] 1629	\$35,629.00
Low Balance	\$0.00

Credits	
Deposits	\$10,657.00
ACH Credits	\$0.00
Other Credits	\$894,859.29
Total Credits	\$905,516.29
Total Maintenance Fees	\$8.00
Debits	
ACH Debits	\$0.00
Other Debits	\$940,190.29
Electronic Checks	\$0.00
Checks	\$955.00
Total Debits	\$941,153.29
Ending Balance	\$-8.00

DEPOSITS

Date	Description	Amount
06-06	Deposit	\$2,030.00
06-09	Deposit	\$8,627.00
Total Deposits:		\$10,657.00

OTHER CREDITS

Date	Description	Amount
06-03	Trf from Reserve From IMMA [REDACTED] 3088	\$8,700.00
06-05	Trf from Reserve From IMMA [REDACTED] 3088	\$750.00
06-06	Trf from Reserve From IMMA [REDACTED] 3088	\$205.00

Thank you for choosing Columbia Bank as your financial partner.

ColumbiaBank.com

Member FDIC

Page 1 of 2

COLUMBIA 010094

**STATEMENT OF ACCOUNT**

Statement Date: 06/30/08

Account: [REDACTED] 1629

Date	Description	Amount
06-09	Trf from Reserve From IMMA [REDACTED] 3088	\$6,254.73
06-12	Trf from Reserve From IMMA [REDACTED] 3088	\$878,949.56
Total Other Credits:		\$894,859.29

OTHER DEBITS

Date	Description	Amount
06-02	Trf to Reserve	\$25,629.00
06-03	Online Transfer W/D	\$8,700.00
06-09	Online Transfer W/D	\$8,284.73
06-10	Online Transfer W/D	\$2,420.00
06-10	Online Transfer W/D	\$2,736.00
06-12	Trf to Reserve	\$3,471.00
06-12	Wire Transfer Out United National LLC WIRE XFER	\$888,949.56
Total Other Debits:		\$940,190.29

CHECKS

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
2835	06-05	\$110.00	2858*	06-06	\$205.00	2865*	06-05	\$640.00
						Total Checks:		
						\$955.00		

* indicates skip in check sequence

DAILY BALANCES

Date	Balance	Date	Balance	Date	Balance
06-01	\$35,629.00	06-05	\$10,000.00	06-10	\$10,000.00
06-02	\$10,000.00	06-06	\$12,030.00	06-12	\$0.00
06-03	\$10,000.00	06-09	\$18,627.00	06-30	\$-8.00

MAINTENANCE FEES

Date	Description	Amount	Date	Description	Amount
06-30	Service Charge	\$8.00			

The following is a description of the maintenance fees.

Maintenance Fee	\$8.00
Debit Items	\$0.00
Credit Items	\$0.00
OnUs Deposits	\$0.00
Earnings Credit	\$0.00
Total Service Charge:	\$8.00



Direct Inquiries to:
Martin Luther King
(253)597-8000
1102 Martin Luther King Jr Way
Tacoma, WA 98405

STATEMENT OF ACCOUNT

Statement Date: 06/30/08
Last Statement Date: 03/31/08
Account: [REDACTED] 8074

Watch your money, and the
environment, grow green!

Grow Green

UNITED NATIONAL LLC
DBA: POST CLOSING DEPT STC-E PCD
2521 FREMONT ST
TACOMA WA 98406-1614

3415



Please visit www.ColumbiaBank.com for details.

SUMMARY OF ACCOUNT BALANCES

Account Name	Account Number	Ending Balance
Small Business Checking	[REDACTED] 8074	\$0.00

SMALL BUSINESS CHECKING

Account Number	Beginning Balance
[REDACTED] 8074	\$10,000.00
Low Balance	\$0.00

Credits	
Deposits	\$0.00
ACH Credits	\$0.00
Other Credits	\$531,205.32
Total Credits	\$531,205.32
Total Maintenance Fees	\$0.00
Debits	
ACH Debits	\$0.00
Other Debits	\$537,705.32
Electronic Checks	\$0.00
Checks	\$3,500.00
Total Debits	\$541,205.32
Ending Balance	\$0.00

OTHER CREDITS

Date	Description	Amount
06-09	Trf from Reserve From IMMA [REDACTED] 3088	\$5,609.14
06-12	Trf from Reserve From IMMA [REDACTED] 3088	\$525,596.18
Total Other Credits:		\$531,205.32

OTHER DEBITS

Date	Description	Amount
06-09	Online Transfer W/D	\$5,609.14
06-12	Wire Transfer Out UNITED NATIONAL LLC WIRE XFER	\$532,096.18
Total Other Debits:		\$537,705.32

Thank you for choosing Columbia Bank as your financial partner.

ColumbiaBank.com

Member FDIC

Page 1 of 2

COLUMBIA 0100318



Direct Inquiries to:
 Martin Luther King
 (253)597-8000
 1102 Martin Luther King Jr Way
 Tacoma, WA 98405

STATEMENT OF ACCOUNT

Statement Date: 06/30/08
 Last Statement Date: 05/31/08
 Account: [REDACTED] 8249

Watch your money, and the
 environment, grow green!

UNITED NATIONAL LLC
 DBA, POST CLOSING DEPT FNF-L PCD
 2521 FREMONT ST
 TACOMA WA 98406-1614

3416

Grow Green

Please visit www.ColumbiaBank.com for details.

SUMMARY OF ACCOUNT BALANCES

Account Name	Account Number	Ending Balance
Small Business Checking	[REDACTED] 8249	\$0.00

SMALL BUSINESS CHECKING

Account Number	Beginning Balance
[REDACTED] 8249	\$20,000.00
Credits	
Deposits	\$0.00
ACH Credits	\$0.00
Other Credits	\$2,366,130.61
Total Credits	\$2,366,130.61
Total Maintenance Fees	\$0.00
Debits	
ACH Debits	\$0.00
Other Debits	\$2,385,612.61
Electronic Checks	\$0.00
Checks	\$518.00
Total Debits	\$2,386,130.61
Ending Balance	\$0.00

OTHER CREDITS

Date	Description	Amount
06-02	Trf from Reserve From IMMA [REDACTED] 3088	\$158.00
06-05	Trf from Reserve From IMMA [REDACTED] 3088	\$120.00
06-09	Trf from Reserve From IMMA [REDACTED] 3088	\$24,550.84
06-12	Trf from Reserve From IMMA [REDACTED] 3088	\$2,341,181.77
06-13	Online Transfer Dep	\$120.00
Total Other Credits:		\$2,366,130.61

**STATEMENT OF ACCOUNT**

Statement Date: 06/30/08
 Account: [REDACTED] 8249

OTHER DEBITS

Date	Description	Amount
06-09	Online Transfer W/D	\$24,430.84
06-12	Wire Transfer Out UNITED NATIONAL LLC WIRE XFER	\$2,361,181.77

Total Other Debits: \$2,385,612.61**CHECKS**

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
7838	06-05	\$120.00	7903*	06-13	\$120.00	7905	06-02	\$120.00
7891*	06-09	\$120.00	7904	06-02	\$38.00			

* Indicates skip in check sequence

Total Checks: \$518.00**DAILY BALANCES**

Date	Balance	Date	Balance	Date	Balance
06-01	\$20,000.00	06-05	\$20,000.00	06-12	\$0.00
06-02	\$20,000.00	06-09	\$20,000.00	06-13	\$0.00

EXHIBIT 26

WELLS FARGO BANK, N.A.
 WESTGATE
 P.O. BOX 6995
 PORTLAND, OR 97228-6995

PAGE 1 of 2

Account Number: [REDACTED] 3310
 Statement End Date: 06/30/08

UNITED NATIONAL LLC
 2521 FREMONT ST
 TACOMA WA 98406-1614

IF YOU HAVE ANY QUESTIONS ABOUT THIS STATEMENT OR YOUR ACCOUNTS,
 CALL: 800-225-5935 (1-800-CALL-WELLS).

YOUR ACCOUNTS AT A GLANCE

ACCOUNT TYPE	ENDING BALANCE
BASIC BUSINESS CHECKING [REDACTED] 3310	0.00

NEWS FROM WELLS FARGO

BASIC BUSINESS CHECKING [REDACTED] 3310

UNITED NATIONAL LLC

JUN 10 BEGINNING BALANCE	0.00
TOTAL DEPOSITS/CREDITS	3,788,717.15
TOTAL WITHDRAWALS/DEBITS	- 3,788,717.15
JUN 30 CLOSING BALANCE	0.00

DEPOSITS AND CREDITS

POSTED DATE	TRANSACTION DETAIL	AMOUNT
JUN 11	DEPOSIT	3,500.00
JUN 12	WT FED#00011 COLUMBIA STATE BAN /ORG=UNITED NATIONAL LLC SRF# 0019 TRN#080612046442 RFB#	2,361,181.77
JUN 12	WT FED#00010 COLUMBIA STATE BAN /ORG=UNITED NATIONAL LLC SRF# 0018 TRN#080612046314 RFB#	888,949.56
JUN 12	WT FED#00009 COLUMBIA STATE BAN /ORG=UNITED NATIONAL LLC SRF# 0017 TRN#080612046232 RFB#	532,096.18
JUN 13	TRANSFER FROM DDA # [REDACTED] 6755	1,000.00
JUN 20	DEPOSIT	1,989.64

WITHDRAWALS AND DEBITS

POSTED DATE	TRANSACTION DETAIL	AMOUNT
JUN 12	WIRE TRANS SVC CHARGE - SEQUENCE: 080612046232 SRF# 0017 TRN#080612046232 RFB#	- 10.00

CONTINUED ON NEXT PAGE

WF 000008

UNITED NATIONAL LLC

PAGE 2 of 2

Account Number:

3310

Statement End Date:

06/30/08

WITHDRAWALS AND DEBITS -----

POSTED DATE	TRANSACTION DETAIL	AMOUNT
JUN 12	WIRE TRANS SVC CHARGE - SEQUENCE: 080612046314 SRF# 0018 TRN#080612046314 RFB#	- 10.00
JUN 12	WIRE TRANS SVC CHARGE - SEQUENCE: 080612046442 SRF# 0019 TRN#080612046442 RFB#	- 10.00
JUN 13	WIRE TRANS SVC CHARGE - SEQUENCE: 080613084138 SRF# FW01741165087558 TRN#080613084138 RFB#	- 20.00
JUN 13	WT FED#03065 U.S. BANK,N.A. /FTR/BNF=united national llc SRF# FW01741165087558 TRN#080613084138 RFB#	- 3,785,667.15
JUN 26	ONLINE TRANSFER REF #IBEX8PHJTX TO BUSINESS CHECKING XXXXXX6755 ON 06/25/08	- 1,000.00
JUN 30	PAYOFF DEBIT, INTEREST WITHOUT FEE	0.00

CHECKS PAID -----

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
	JUN 13	1,000.00		JUN 24	1,000.00

DAILY BALANCE SUMMARY -----

DATE	BALANCE	DATE	BALANCE
JUN 11	3,500.00	JUN 24	1,000.00
JUN 12	3,785,697.51	JUN 26	0.00
JUN 13	10.36	JUN 30	0.00
JUN 20	2,000.00		

FOR YOUR INTEREST

Too busy running your business to think about retirement? A Wells Fargo Investments professional can help you plan for your retirement, manage your personal investments, or even create a business succession plan. Call 1-866-243-0931 or visit your local Wells Fargo store today.

Investment Products: -Not FDIC Insured -No Bank Guarantee -May Lose Value

Investment products available through Wells Fargo Investments, LLC (member SIPC), a non-bank affiliate of Wells Fargo & Company.

THANK YOU FOR BANKING WITH WELLS FARGO.

WF 000009

EXHIBIT 27



P.O. Box 1800
Saint Paul, Minnesota 55101-0800
03473 TRN 144926PBXP Y ST01 T640 PD

Business Statement

Account Number:

7633

Statement Period:

Jun. 12, 2008

through

Jun. 30, 2008

Page 1 of 2



UNITED NATIONAL, LLC
2521 FREMONT ST
TACOMA WA 98406-1614



To Contact U.S. Bank

24-Hour Business
Solutions:

1-800-673-3555

Telecommunications Device
for the Deaf:

1-800-685-5065

Internet:

usbank.com

FREE SMALL BUSINESS CHECKING

Member FDIC

Account Number 7633

U.S. Bank National Association

Account Summary

	# Items	\$
Beginning Balance on Jun. 12		0.00
Customer Deposits	1	1,000.00
Other Deposits	1	3,785,667.15
Other Withdrawals	1	3,784,618.51-
Checks Paid	1	1,989.64-
Ending Balance on Jun. 30, 2008		\$ 59.00

U.S. Bank
Checking
That Pays[®]

Reward Program Summary

All Rewards shown are as of Jun. 30, 2008

Cash Bonus Business

Check Card Number: *6271

Reward Enrollment Date	Rewards Earned Program to Date	Rewards Redeemed Program to Date	Current Rewards Balance	Rewards Available to Redeem
06/12/2008	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Customer Deposits

Number	Date	Ref Number	Amount
	Jun. 12	3632996436	1,000.00

Total Customer Deposits \$ 1,000.00**Other Deposits**

Date	Description of Transaction	Ref Number	Amount
Jun. 13	Wire Credit REF003065 WELLS SF 8361 ORG=UNITED NATIONAL LLC 2521 FREMONT ST		\$ 3,785,667.15

Total Other Deposits \$ 3,785,667.15**Other Withdrawals**

Date	Description of Transaction	Ref Number	Amount
Jun. 18	Wire Debit REF002098 BNF=BLACKSTONE NEVADA ST LAS VEGA 5873 INTERNATIONAL INC NO ADDRESS GIV		\$ 3,784,618.51-

Total Other Withdrawals \$ 3,784,618.51-

US BANK 0005

EXHIBIT 28

D 0072026040 104 06/30/08 018 PG0023 I

Statement of Accounts

Page 1

This Statement: June 30, 2008

Last Statement: June 16, 2008

Primary Account 6040

BLACKSTONE INTERNATIONAL INC
TROY X KELLEY
2521 FREMONT ST
TACOMA WA 98406-1614

DIRECT INQUIRIES TO:

Reddi Response

24-hour Account Information:

Las Vegas: 471-5800

Reno: 337-2811

1 (800) 462-3555 (outside local areas)

Loan By Phone

Las Vegas: 399-Loan (5626)

Reno: 851-8811

1 (800) 789-4671 (outside local areas)

With NSB Remote Deposits you can make business deposits right from your desktop and have quicker access to cash. Call a Treasury Management Professional at (800) 693-7695 to learn how Remote Deposits can save your business time and money.

SUMMARY OF ACCOUNT BALANCE

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Enterprise Checking	6040	\$15.00	DDA

ENTERPRISE CHECKING 6040

104 0

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
0.00	3,784,628.51	3,784,613.51	0.00	15.00

2 DEPOSITS/CREDITS

Date	Amount	Description
06/18	3,784,618.51	WIRE/IN-200817002745;ORG UNITED NATIONAL , LLC;REF 080618015 1501600327
06/24	10.00	CUST SERVICE XFER FROM GL ID: 176173040 1702402234

6 CHARGES/DEBITS

Date	Amount	Description
06/18	10.00	WIRE TRANSACTION SERVICE FEE
06/23	149,870.00	WIRE/OUT-200817500474;BNF BLACKSTONE INTL INC;OBI IN FAVOR O 1501700074
06/23	25.00	WIRE TRANSACTION SERVICE FEE
06/27	3,634,673.51	WIRE/OUT-200817905415;BNF BERKELEY UNITED LLC;OBI IN FAVOR O 1501300592
06/27	25.00	WIRE TRANSACTION SERVICE FEE
06/30	10.00	MAINTENANCE FEE

0 CHECKS PROCESSED

There were no transactions this period.

TXK 000047

DAILY BALANCES

Date	Balance	Date	Balance	Date	Balance
06/18	3,784,608.51	06/24	3,634,723.51	06/30	15.00
06/23	3,634,713.51	06/27	25.00		

Nevada State Bank 009

EXHIBIT 29

December 31, 2008, year-to-date

Page 1 of 2

**Vanguard®****TRANSACTION DETAIL**

BLACKSTONE INTERNATIONAL INC
2521 FREMONT ST
TACOMA WA 98406

800-662-2739 - Client Services
 www.vanguard.com
 (800) 662-6273 - Tele-Account

TRANSACTION ACTIVITY**Vanguard Admiral Treasury Money Market Fund**Fund / Account no. [REDACTED] **6680**

Trade date	Transaction description	Dollar amount	Share price	Shares transacted	Total shares owned
	Balance on 12/31/2007	\$ 0.00	\$ 1.00		.000
6/20	Check purchase	3,000.00	1.00	3,000.000	3,000.000
6/23	Wire purchase	149,870.00	1.00	149,870.000	152,870.000
6/30	Income dividend	52.68	1.00	52.680	152,922.680
7/31	Income dividend	233.05	1.00	233.050	153,155.730
8/14	Check purchase	7,021.59	1.00	7,021.590	160,177.320
8/29	Income dividend	238.90	1.00	238.900	160,416.220
8/29	Dividend from Prime MM	6,694.97	1.00	6,694.970	167,111.190
9/30	Income dividend	236.99	1.00	236.990	167,348.180
9/30	Dividend from Prime MM	6,651.84	1.00	6,651.840	174,000.020
10/31	Income dividend	230.34	1.00	230.340	174,230.360
10/31	Dividend from Prime MM	7,932.99	1.00	7,932.990	182,163.350
11/28	Income dividend	199.92	1.00	199.920	182,363.270
11/28	Dividend from Prime MM	7,913.38	1.00	7,913.380	190,276.650
12/24	Checkwriting 1001	-36,214.77	1.00	-36,214.770	154,061.880
12/24	Checkwriting 1002	-25,415.57	1.00	-25,415.570	128,646.310
12/24	Checkwriting 1003	-124,454.43	1.00	-124,454.430	4,191.880
12/31	Income dividend	117.08	1.00	117.080	4,308.960
	Balance on 12/31/2008	\$ 4,308.96	\$ 1.00		4,308.960

Year-to-date	Purchases /
Income dividends	Redemptions
\$ 1,308.96	\$ 189,084.77
	186,084.77

000000062308491

102C - D1

X

Vanguard 000110

EXHIBIT 30

December 31, 2008, year-to-date

Page 1 of 1

**Vanguard®****TRANSACTION DETAIL**

BERKELEY UNITED LLC
2521 FREMONT ST
TACOMA WA 98406-1614

800-662-2739 - Client Services
 www.vanguard.com
 (800) 662-6273 - Tele-Account

TRANSACTION ACTIVITY

Vanguard Prime Money Market Fund

Fund / Account no. **000000062319066 8746**

Trade date	Transaction description	Dollar amount	Share price	Shares transacted	Total shares owned
	Balance on 12/31/2007	\$ 0.00	\$ 1.00		.000
6/30	Wire purchase	3,634,673.51	1.00	3,634,673.510	3,634,673.510
6/30	Income dividend	221.54	1.00	221.540	3,634,895.050
7/31	Income dividend cash	6,800.05			3,634,895.050
8/14	Check purchase	6,800.05	1.00	6,800.050	3,641,695.100
8/14	Checkwriting 1001	-7,021.59	1.00	-7,021.590	3,634,673.510
8/29	Dividend to Admiral MM	6,694.97			3,634,673.510
9/30	Dividend to Admiral MM	6,651.84			3,634,673.510
10/06	Wire redemption	-3,525.00	1.00	-3,525.000	3,631,148.510
10/06	Wire fee deducted	0.00	1.00	-5.000	3,631,143.510
	Bank wire fee	-5.00			
10/31	Dividend to Admiral MM	7,932.99			3,631,143.510
11/28	Dividend to Admiral MM	7,913.38			3,631,143.510
12/31	Income dividend cash	7,442.92			3,631,143.510
	Balance on 12/31/2008	\$ 3,631,143.51	\$ 1.00		3,631,143.510

Year-to-date

Income dividends

Purchases /

Redemptions

\$ 43,657.69

\$ 3,641,473.56

10,551.59

000000062319066

2

102C-M1

X

Vanguard 000008

EXHIBIT 31

4
WIF**International Wire Option Form****Vanguard**

Use this form to link an international bank account to your Vanguard® account for wire redemptions.

Print clearly, preferably in capital letters and black ink.

Most forms can be downloaded from our website at www.vanguard.com/serviceforms. To get assistance in filling out this form, call us at 800-662-2739 (U.S.) or 610-669-1000 (international collect). Return this form to Vanguard, P.O. Box 1110, Valley Forge, PA 19482-1110. For overnight delivery, mail to Vanguard, 455 Devon Park Drive, Wayne, PA 19087-1815.

Account Owner Information

Account Number

Troy X. KELLEY

Name (first, middle initial, last)

Citizenship

☒ U.S. Citizen

Resident Alien

Nonresident Alien

Country of Citizenship, if Not U.S.

Tax Residency

☒ U.S.

Other

Country of Tax Residence, if Not U.S.

OR

Social Security Number or Individual Taxpayer ID Number

Employer ID Number

Street Address

2521 FREMONT ST.
TACOMA, WA 98406

City, State, Zip

253-752-7138

Daytime Telephone Number

Country, if Not U.S.

253-752-7138

Evening Telephone Number

Name of Joint Owner (if applicable)

Bank Information—ALL FIELDS REQUIRED**U.S. Correspondent Bank Information**

WACHOVIA BANK

Bank Name

PNBPUS3NNYC

SWIFT Code

Foreign Bank Information

ATLANTIC INTERNATIONAL BANK

Bank Name

2000192008196

SWIFT Code

Account Number

5940

N/A

WELLINGTON TRUST

Account Registration at Foreign Bank

Street Address

COR. CLEGHORN ST./FREEDOM ROAD - 4th Floor

City, State, Zip

BELIZE CITY

BELIZE

Country, if Not U.S.

Foreign Bank's Telephone Number

501-223-3152

Vanguard 000092

IWIF-page 2 of 2

3 Additional Instructions—IF APPLICABLE Complete the information below to include "further credit" instructions with your wire requests.

WELLINGTON TRUST
Beneficiary Name

2521 FREMONT ST.
Street Address
TACOMA, WA 98406

City, State, Zip Country, if Not U.S.
FOR FURTHER CREDIT TO A/c No. 100005940

Bank or Special Reference (for example, account number, sort code, branch code, or IBAN number, if provided by your bank)

4 Signature of Account Owner (Sign exactly as your account is registered and in the presence of the guarantor.)

- ☐ If I am a U.S. citizen, a U.S. resident alien, or a representative of a U.S. entity, I certify under penalty of perjury that:
1. The taxpayer ID number I have given on this form is correct (or I am waiting for a number to be issued to me).
 2. I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.
- ☐ **Important:** Cross out item "2" if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return.
3. I am a U.S. person (including a U.S. resident alien).
- ☐ If I am a nonresident alien, I certify that the information that I provided on the previously filed Form W-8 is still accurate for purposes of foreign status and treaty claim (if applicable). If the information has changed, I may be required to complete a new Form W-8 or provide additional documentation to recertify my foreign status or claim for treaty benefits. I understand that I am not under penalty of perjury by certifying the above information.

The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I agree that Vanguard will not incur any loss, liability, cost, or expense for acting upon my instructions. I understand that this authorization may be terminated by me at any time by written notification to Vanguard. The termination request will be effective as soon as Vanguard has had a reasonable amount of time to act upon it.

➤ **Tina X. Kelly**
Signature of Account Owner

9-23-08
Date (month, day, year)

➤ _____
Signature of Joint Account Owner (if applicable)

Date (month, day, year)

5 Signature Guarantee

If the name on the bank account to receive wire requests is not identical to the name on your Vanguard account, you must obtain a signature guarantee.

You can get a signature guarantee from an authorized officer of a bank, broker, and many other financial institutions. A notary public CANNOT provide a signature guarantee.

➤ **[Signature]**
Signature of Authorized Officer of Guarantor

VP Columbia Bank
Officer's Title / Name of Institution

Date (month, day, year) **9/23/08**

SIGNATURE GUARANTEED
Authorized Officer to Place Stamp Here
COLUMBIA STATE BANK

(02) AUTHORIZED SIGNATURE
D 9002372
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM
Applies to all signatures in Section 4.

EXHIBIT 32



Direct Inquiries to:
 Martin Luther King
 (253)597-8000
 1102 Martin Luther King Jr Way
 Tacoma, WA 98405

STATEMENT OF ACCOUNT

Statement Date: 06/30/08
 Last Statement Date: 05/31/08
 Account: 5529

Watch your money, and the
 environment, grow green!

Grow Green

Please visit www.ColumbiaBank.com for details.

UNITED NATIONAL LLC
 2521 FREMONT ST
 TACOMA WA 98406-1614

3450

**SUMMARY OF ACCOUNT BALANCES**

Account Name	Account Number	Ending Balance
Small Business Checking	5529	\$4,139.40

SMALL BUSINESS CHECKING

Account Number	Beginning Balance
5529	\$1,000.00
Low Balance	\$913.73

Credits	
Deposits	\$18,985.65
ACH Credits	\$0.00
Other Credits	\$197,124.70
Total Credits	\$216,110.35
Total Maintenance Fees	\$8.00
Debits	
ACH Debits	\$23,726.00
Other Debits	\$51,010.84
Electronic Checks	\$0.00
Checks	\$138,226.11
Total Debits	\$212,970.95
Ending Balance	\$4,139.40

DEPOSITS

Date	Description	Amount
06-09	Deposit	\$8,770.75
06-10	Deposit	\$6,081.64
06-23	Deposit	\$1,000.00
06-26	Deposit	\$3,133.26
Total Deposits:		\$18,985.65

OTHER CREDITS

Date	Description	Amount
06-02	Trf from Reserve From IMMA 3088	\$201.00

Thank you for choosing Columbia Bank as your financial partner.

ColumbiaBank.com

Member FDIC

Page 1 of 3

COLUMBIA 0100703

**STATEMENT OF ACCOUNT**

Statement Date: 06/30/08

Account: [REDACTED] 5529

Date	Description	Amount
06-03	Online Transfer Dep	\$8,700.00
06-09	Online Transfer Dep	\$5,609.14
06-09	Online Transfer Dep	\$8,284.73
06-09	Online Transfer Dep	\$24,430.84
06-10	Online Transfer Dep	\$2,420.00
06-10	Online Transfer Dep	\$2,736.00
06-13	Trf from Reserve From IMMA [REDACTED] 3088	\$120.00
06-16	Trf from Reserve From IMMA [REDACTED] 3088	\$70,422.93
06-17	Trf from Reserve From IMMA [REDACTED] 3088	\$30,000.00
06-18	Trf from Reserve From IMMA [REDACTED] 3088	\$647.66
06-20	Trf from Reserve From IMMA [REDACTED] 3088	\$20,020.00
06-23	Trf from Reserve From IMMA [REDACTED] 3088	\$500.00
06-24	Trf from Reserve From IMMA [REDACTED] 3088	\$7,840.91
06-25	Trf from Reserve From IMMA [REDACTED] 3088	\$15,105.22
06-26	Credit Memo	\$86.27
Total Other Credits:		\$197,124.70

ACH DEBITS

Date	Description	Amount
06-09	Preauthorized ACH Dr CBS - SAN DIEGO P/R CCD 122000032442895 901026070000001	\$7,724.14
06-10	Preauthorized ACH Dr CRI PAYROLL PR TAX/FEE 21000024798107 00116700051H	\$42.41
06-10	Preauthorized ACH Dr CRI PAYROLL PR TAX/FEE 21000024798386 CBS167075AUJ	\$2,717.46
06-24	Preauthorized ACH Dr CBS - SAN DIEGO P/R CCD 122000031798087 901026070000001	\$8,840.91
06-25	Preauthorized ACH Dr CRI PAYROLL PR TAX/FEE 21000022535867 00116700051H	\$40.58
06-25	Preauthorized ACH Dr AMERICAN EXPRESS ELEC REMIT 31201460337435 080624060056924	\$1,191.28
06-25	Preauthorized ACH Dr CRI PAYROLL PR TAX/FEE 21000022536139 CBS167075AUJ	\$3,169.22

Total ACH Debits: \$23,726.00**OTHER DEBITS**

Date	Description	Amount
06-03	Trf to Reserve	\$8,700.00
06-09	Trf to Reserve	\$25,256.05
06-10	Trf to Reserve	\$2,396.13
06-11	Trf to Reserve	\$8,370.75
06-12	Trf to Reserve	\$6,081.64
06-13	Online Transfer W/D	\$120.00

Thank you for choosing Columbia Bank as your financial partner.

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Member FDIC

2 of 3

COLUMBIA 0100704

**STATEMENT OF ACCOUNT**

Statement Date: 06/30/08

Account: [REDACTED] 5529

Date	Description	Amount
06-24	Analysis Charge	\$86.27

Total Other Debits: \$51,010.84

CHECKS

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
8360	06-02	\$121.00	8367	06-25	\$300.00	8388	06-16	\$70,053.04
8361	06-11	\$400.00	8368	06-26	\$130.00	8389	06-17	\$30,000.00
8362	06-23	\$500.00	8376*	06-30	\$120.00	8390	06-20	\$20.00
8363	06-16	\$152.32	8385*	06-18	\$442.66	8391	06-27	\$140.00
8364	06-02	\$80.00	8386	06-16	\$80.00	8392	06-20	\$20,000.00
8365	06-09	\$5,344.52	8387	06-18	\$205.00	8394*	06-27	\$10,000.00
8366	06-16	\$137.57						

* indicates skip in check sequence

Total Checks: \$138,226.11

DAILY BALANCES


Date	Balance	Date	Balance	Date	Balance
06-01	\$1,000.00	06-12	\$1,000.00	06-23	\$2,000.00
06-02	\$1,000.00	06-13	\$1,000.00	06-24	\$913.73
06-03	\$1,000.00	06-16	\$1,000.00	06-25	\$11,317.87
06-09	\$9,770.75	06-17	\$1,000.00	06-26	\$14,407.40
06-10	\$15,852.39	06-18	\$1,000.00	06-27	\$4,267.40
06-11	\$7,081.64	06-20	\$1,000.00	06-30	\$4,139.40

MAINTENANCE FEES

Date	Description	Amount	Date	Description	Amount
06-30	Service Charge	\$8.00			

The following is a description of the maintenance fees.

Maintenance Fee	\$8.00
Debit Items	\$0.00
Credit Items	\$0.00
OnUs Deposits	\$0.00
Earnings Credit	\$0.00
Total Service Charge:	\$8.00

		UNITED NATIONAL, LLC 2521 FREMONT STREET TACOMA, WA 98408 888-210-2607		8388	
PAY TO THE ORDER OF <u>Tray Kelley</u>		DATE <u>6-17-08</u>		\$ <u>70,053.⁰⁴</u>	
SEVENTY THOUSAND AND FIFTY-THREE AND 04/100 DOLLARS		8388			
COLUMBIA STATE BANK 250-597-8000 1959 SOUTH UNION AVENUE TACOMA, WA 98405		5529			
FOR _____		0007005304			

Account 01005305529 Serial 8388 Amount 70053.04
 Date 06-16-2008



UNITED NATIONAL, LLC
2521 FREMONT STREET
TACOMA, WA 98406
888-210-2607

34-8271251

8389

DATE 6-16-08

PAY
TO THE
ORDER OF

Tasy Kelly

\$ 30,000.00

DOLLARS

Thirty thousand

COLUMBIA STATE BANK
253-597-8000
1959 SOUTH UNION AVENUE
TACOMA, WA 98405

FOR

⑈008389⑈ ⑆125108272⑆

Tasy Kelly
5529⑈

⑈0003000000⑈

Account 700038 5529 Serial 8389 Amount 30000.00
Date 06-17-2008



UNITED NATIONAL, LLC
2521 FREMONT STREET
TACOMA, WA 98408
888-210-2507

34-627/1251

8392

PAY
TO THE
ORDER OF

TAY KELLEY

\$ 20,000.00

DOLLARS



Twenty Thousand

COLUMBIA STATE BANK
253-597-8000
1859 SOUTH UNION AVENUE
TACOMA, WA 98405

FOR

⑈008392⑈ ⑈125108272⑈

5529⑈

⑈0002000000⑈

Account 5529 Serial 8392 Amount 20000.00
Date 06-20-2008



UNITED NATIONAL, LLC
2521 FREMONT STREET
TACOMA, WA 98406
888-210-2607

34-6271251

8394

DATE

6-25-08

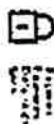
PAY
TO THE
ORDER OF

TRJ Kelly

\$ 10,000.00

TEN THOUSAND

DOLLARS



COLUMBIA STATE BANK
253-597-8000
1959 SOUTH UNION AVENUE
TACOMA, WA 98405

FOR

⑈008394⑈ ⑈125108272⑈

5529⑈

⑈0001000000⑈


TRJ Kelly

Account 7010030 5529

Serial 8394

Amount 10000.00

Date 06-27-2008

 <p>UNITED NATIONAL, LLC 2521 FREMONT STREET TACOMA, WA 98406 888-210-2607</p>		<p>3442711251</p> <p>8395</p>	
<p>PAY TO THE ORDER OF <u>Teri Kruis</u></p>		<p>DATE <u>7-3-08</u></p>	
<p><u>Twelve Thousand</u> DOLLARS</p>		<p>\$ <u>12,000.00</u></p>	
<p>COLUMBIA STATE BANK 253-587-8000 1959 SOUTH UNION AVENUE TACOMA, WA 98405</p>		<p>FOR <u>Teri Kruis</u></p>	
<p>⑆008395⑆ ⑆125108272⑆</p>		<p>⑆0001200000⑆</p>	

Account 7000305529 Serial 8395 Amount 12000.00
 Date 07-07-2008



UNITED NATIONAL, LLC
2521 FREMONT STREET
TACOMA, WA 98406
888-210-2607

24-2277251

8396

DATE 7-25-08

PAY TO THE ORDER OF

Pay Kelly

\$ 13,500.00

THIRTEEN THOUSAND AND FIVE HUNDRED

DOLLARS



COLUMBIA STATE BANK
253-597-8000
1959 SOUTH UNION AVENUE
TACOMA, WA 98405

FOR


⑆008396⑆ ⑆125108272⑆ ⑆00031⑆ 5529⑆

⑆0001350000⑆

Ty K Kelly

Account 700031 5529 Serial 8396 Amount 13500.00
Date 07-28-2008

EXHIBIT 34

		UNITED NATIONAL, LLC 2521 FREMONT STREET TACOMA, WA 98408 888-210-2607	
8126		24-8771251	
DATE <u>12-25-06</u>			
PAY TO THE ORDER OF <u>YMCA</u>		AMOUNT <u>\$ 336.00</u>	
<u>Three hundred thirty-six</u>		DOLLARS	
COLUMBIA STATE BANK 250-597-8000 1959 SOUTH UNION AVENUE TACOMA, WA 98405		FOR <u>44202</u>	
MICR LINE: ⑈008125⑈ ⑈125108272⑈		⑈5529⑈	

Account 5529 Serial 8126 Amount 336.00 Date 10-30-2006

Form 2441 (2005)

Page 2

Part III Dependent Care Benefits

12	Enter the total amount of dependent care benefits you received in 2005. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2. Do not include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership	12	5000	00
13	Enter the amount forfeited or carried forward to 2006, if any (see the instructions)	13		0
14	Subtract line 13 from line 12	14	5000	00
15	Enter the total amount of qualified expenses incurred in 2005 for the care of the qualifying person(s)	15	5566	00
16	Enter the smaller of line 14 or 15	16	5000	00
17	Enter your earned income. See instructions	17	100000	00
18	Enter the amount shown below that applies to you. <ul style="list-style-type: none"> • If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5). • If married filing separately, see the instructions for the amount to enter. • All others, enter the amount from line 17. 	18	60000	00
19	Enter the smallest of line 16, 17, or 18	19	5000	00
20	Enter the amount from line 12 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0-	20		0
21	Subtract line 20 from line 14	21	5000	00
22	Enter \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 18)	22	5000	00
23	Deductible benefits. Enter the smallest of line 19, 20, or 22. Also, include this amount on the appropriate line(s) of your return (see the instructions)	23		0
24	Enter the smaller of line 19 or 22	24	5000	00
25	Enter the amount from line 23	25		0
26	Excluded benefits. Subtract line 25 from line 24. If zero or less, enter -0-	26	5000	00
27	Taxable benefits. Subtract line 26 from line 21. If zero or less, enter -0-. Also, include this amount on Form 1040, line 7. On the dotted line next to line 7, enter "DCB"	27		0

To claim the child and dependent care credit, complete lines 28-32 below.

28	Enter \$3,000 (\$6,000 if two or more qualifying persons)	28	6000	00
29	Add lines 23 and 26	29	5000	00
30	Subtract line 29 from line 28. If zero or less, stop. You cannot take the credit. Exception. If you paid 2004 expenses in 2005, see the instructions for line 9	30	1000	00
31	Complete line 2 on the front of this form. Do not include in column (c) any benefits shown on line 29 above. Then, add the amounts in column (c) and enter the total here	31	566	00
32	Enter the smaller of line 30 or 31. Also, enter this amount on line 3 on the front of this form and complete lines 4-11	32	566	00


Form 2441 (2005)

YMCA DAY CARE 1002 SOUTH PEARL ST.
TACOMA, WA 98405


336.00

CONFIDENTIAL


TXK 000203

		UNITED NATIONAL, LLC 3820 SOUTH FINE STREET TACOMA, WA 98409 888-210-2807	
PAY TO THE ORDER OF		7900	
DANA'S		36-00711251	
Husick KCP N 6			
Sixty Nine		\$ 69.00	
COLUMBIA STATE BANK		DOLLARS @	
1959 S UNION AVE TACOMA, WA 98405			
FOR	223108115 07-22/05	16-69.00	
110079000	24697405 CN-10770N-05	16-69.00	
125108272	5529	00000006900	

Account 5529 Serial 7900 Amount 69.00 Date 07-25-2005

	UNITED NATIONAL, LLC 3820 SOUTH PINE STREET TACOMA, WA 98409 888-210-2607	7970
PAY TO THE ORDER OF	IRAA GUZMAN	DEC. 27 20 05
E/6ATY	\$ 80.00	\$ 80.00
COLUMBIA STATE BANK 1922 S. UDOH AVE TACOMA, WA 98405	12251082720	12251082720
FOR	T. X. Kelly	12251082720

COLUMBIA 01002563

	UNITED NATIONAL, LLC 2521 FREMONT STREET TACOMA, WA 98406 888-210-2607	#49	8230 34-827/1251
PAY TO THE ORDER OF		DATE	
ARCADIA		6-2-07	
TWO HUNDRED AND SIXTY-ONE		\$ 261.00	DOLLARS
FOR		Ten X. Kelly	
COLUMBIA STATE BANK 253-597-8000 1959 SOUTH UNION AVENUE TACOMA, WA 98405		5529	

Account **7000305529** Serial 8230 Amount 261.00 Date 06-11-2007

015618

0310000011

01/24/2006
000003354535920

This is a LEGAL COPY of your
check. You can use it the same
way you would use the original
check.

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Document Seq #
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KNBHF20
01/24/06

0002/42/10 11/10002501

012022792500000

UNITED NATIONAL LLC
2511 FINE MOUNT STREET
TACOMA, WA 98407
8320

DATE 12-24-07

PAY TO THE ORDER OF THE Taw Hingus Unwashed Piers

AMOUNT \$ 75.00

FOR DIANE KELLEY

SECRETARY, FMC

COLUMBIA STATE BANK
PO BOX 800
180 SOUTH UNION AVENUE
TACOMA, WA 98401


5529

00000007500


0008320 4125108272 5529

00000007500

Account 000035529 Serial 8320 Amount 75.00 Date 01-29-2008

		UNITED NATIONAL, LLC 2521 FREMONT STREET TACOMA, WA 98406 888-210-2607		DIANE KELLEY		8331 34-8277251	
PAY TO THE ORDER OF		A SECS		DATE		1.27.08	
ONE HUNDRED AND NINETY		DOLLARS		\$ 190.		00	
COLUMBIA STATE BANK 253-597-8000 1939 SOUTH UNION AVENUE TACOMA, WA 98405		FOR		Troy X Kelly		000000190000	

Account **5529** Serial 8331 Amount 190.00 Date 02-12-2008

		UNITED NATIONAL, LLC 2521 FREMONT STREET TACOMA, WA 98406 888-210-2507	
8336		3442711251	
DATE <u>FEB 1 2008</u>			
PAY TO THE ORDER OF <u>DAVID DUFFIN</u>		\$ <u>339.</u> ⁰⁰ / ₁₀₀	
Three hundred and thirty-nine		DOLLARS	
COLUMBIA STATE BANK 253-597-8000 1859 SOUTH UNION AVENUE TACOMA, WA 98405			
FOR <u>Ty X. Kelly</u>		5529	
1251082728		00000033900	

Account 5529 Serial 8336 Amount 339.00 Date 02-08-2008